

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

MINUTES OF MEETING

Date: Thursday, February 22, 1973

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

Present: Douglas R. Sodetani, Chairman
Herbert S. Isonago, Vice Chairman
Mrs. Mary Savio, Member
John D. Texeira, Member
Hiromu Yamanaka, Member
Louis Cannelora, Member
Ah Kau Young, Member

Yukio Higuchi, Executive Secretary
Mrs. Peggy Lau, Stenographer

Wesley Park, Director of Small Business Management, College of
Business Administration, University of Hawaii
George Morris, Jr., Honolulu Board of Realtors
Robert Bone, Honolulu Advertiser

Call to Order: There being a quorum, Chairman Sodetani called the meeting to
order at 9:40 a.m.

Minutes: Ah Kau Young moved and John Texeira seconded that the Commission
approve the minutes of the January 26, 1973 meeting as circulated.
Motion unanimously carried.

Informal
Conference: International Syndications, Inc.

As requested by the Commission, Sol Laikind, principal broker of
International Syndications, Inc., appeared before the Commission.
The purpose of the informal conference was to enable the members
to have a clearer picture of the operation of International
Syndications, Inc. (ISI).

The Commissioners questioned whether the undivided interest in
real estate being sold by ISI is real estate or securities. Sol
Laikind stated that from a legal standpoint he did not know that
ISI was being investigated and that he was not prepared to answer
the questions raised by the Commissioners.

Herbert Isonaga moved and Ah Kau Young seconded that this informal
conference be continued to the next meeting, inasmuch as Laikind
was not given ample instruction as to the nature of the matter to
be discussed. (Laikind will be notified as to what the Commission
will cover at the next conference.) Motion unanimously carried.

Committee
Reports:Education Task Force Committee

At the last meeting the Commission authorized the Education Task Force Committee to follow through and act upon certain applications for accreditation and certification. The Executive Secretary reported the following:

Mike McCormack School of Real Estate--Brokers Course--Approved.

Cliff Stark School of Real Estate--Brokers Course--Withdrawn at this time. Must submit another curriculum outlining only the brokers course and not a combination of salesman/broker course.

David Bartholomew's Hawaii School of Real Estate--Brokers Course--Approved.

Walter N. Clark School of Real Estate--Brokers Course--Approved subject to the removal of "Incentive Program" from school brochure.

Professional School of Real Estate--Salesmen Course--Approved, Instructor's Certificate--Ronald H. Deisseroth--Approved subject to Ronald Deisseroth passing qualifying examination.

School Visitation

Mary Savio reported that Albert Feirer has prepared a proposed form to evaluate the next school visitation program to be held in the near future. Copies of the suggested form were distributed and the Commissioners were welcomed to make additional improvements to it.

News Release on Credits Granted for GRI Courses

Wesley Park requested that the Commission give written notice of changes regarding credits for GRI courses. At the request of the Commission, George Morris of the Honolulu Board of Realtors, consented to make a news release in their next publication.

Absence of Brokers Course on Neighbor Islands

Wesley Park reviewed the problem that is existing on the neighbor islands relative to the next brokers examination.

The Commission has set a minimum enrollment of 15 students for each brokers class (balance to be underwritten by the Commission), and one brokers course per year to be held on each island. Wesley Park reported that the earliest he could offer the brokers course on the neighbor islands would be for the October 1973 examination.

Wesley Park informed the Commission that he will prepare the brokers curriculum outline for the outer island community colleges.

At this point of the meeting, Bernadette Gulisao appeared to thank the Commission for giving her the opportunity of attending the conference in New Jersey. The report to the Governor is forthcoming.

Accreditation of Real Estate School

Aina Kuponono School of Real Estate

It was moved by Herbert Isonaga, seconded by Ah Kau Young that the Commission give the Education Task Force Committee authorization to act upon the application for accreditation of Aina Kuponono School of Real Estate. Motion carried.

Real Estate Manual

Nothing new has developed with Mr. Kyle in reference to the manual, "Modern Real Estate Practice" as Mary Savio was in New Jersey to attend a conference.

Mary Savio suggested that the Commission give serious thought to using this manual and recommended that it be added to our list of reading materials. If this manual is adopted, it would be ready by the early part of next year. Mary Savio's intentions are to get in touch with Mr. Kyle to pursue this further.

Condominium Review Committee

Committee Chairman Louis Cannelora had nothing further to add to his letter of February 6, 1973 addressed to the Chairman regarding proposed amendments. Louis Cannelora was requested to compile a summary of the suggestions, amendments and deletions to Chapter 514, Hawaii Revised Statutes, and/or rules and regulations.

Real Estate Recovery Fund

A most recent report of the real estate recovery fund was given to each member.

Paul Osumi, Jr. and Evelyn Kurosumi vs. Yoshiharu Hirashima dba Pacific Land Company

The Executive Secretary reported that as authorized by the Commission he made payment of \$10,000 from the recovery fund to the Plaintiffs.

Action on the additional \$4,000 plus awarded to Plaintiffs by the court was delayed until the Deputy Attorney General's return.

Business Out
of Minutes:Testing Service

Mary Savio gave a verbal report on the highlights that were discussed at the meeting in Princeton, New Jersey. She mentioned that many of the questions and suggestions by the schools were brought up at that meeting, and that the next examination will cover the Truth in Lending Act. She further mentioned that Educational Testing Service has requested all states to submit their old examination questions in order that E.T.S. may build a larger question bank for each respective state.

Mary Savio moved and Ah Kau Young seconded to approve sending our complete questionnaire with answers, including math, to E.T.S. for their review and pursual in adding to the question bank. Motion carried without dissent.

Results of January 27, 1973 Real Estate Examination

Educational Testing Service has submitted a summary report on the results of the first real estate examination administered by them on January 27, 1973. In short, the Executive Secretary reported that:

- (1) 1,210 candidates registered for the exam;
- (2) 1,149 candidates took the exam (61 absent);
- (3) 642 candidates passed the exam (56%); and
- (4) 507 candidates failed the exam (44%).

Copies of the list of successful candidates of the January 1973 real estate examination were distributed to the members.

Herbert Isonaga moved and John Texeira seconded that the Commission approve the list of successful candidates of the January 1973 real estate salesman examination. Motion carried.

Due to the delay in obtaining the results of the January 1973 examination from E.T.S., John Texeira moved and Ah Kau Young seconded that the unsuccessful candidates of January 1973 examination be given a leeway of one week past the deadline in which to file application for re-examination. Motion unanimously carried.

The Executive Secretary reported that five additional candidates of the October 1972 broker examination have been added to the successful candidates list as the result of staff rescoring the examination papers after the Court's decision on the June 1972 examination. The questions that were thrown out of the June 1972 examination were used in the October 1972 broker examination, and at the advise of the Attorney General these same questions were also thrown out of the October 1972 broker examination.

Ah Kau Young moved and Mary Savio seconded that the Commission approve the list of five additional candidates of the October 1972 real estate broker examination. The motion unanimously carried.

Request for Weekday Examination

The Executive Secretary read a letter from Hillery Johnston requesting the Commission to schedule him a special examination held on a weekday. Like the Seventh Day Adventists, his church, The Worldwide Church of God, also observes Saturday as the sabbath.

Mary Savio moved and John Texeira seconded that Hillery Johnston's request for a weekday examination be denied. Motion unanimously carried.

The Commission was in agreement to delete "Seventh Day Adventists" on the January 1973 information sheet prepared for examinees and add "religious reasons", thus:

"The Real Estate Commission does not assure that a special examination will be scheduled on a weekday for religious reasons."

Questionable Activity of Bob Mueller

Hiromu Yamanaka requested that an investigation be made on Bob Mueller's activities to determine whether he is operating under his own license or under General Realty; his books and contracts are also to be examined. The Executive Secretary was directed by the Commission to refer this to Investigation Branch.

Reactivation of Salesman License of Raymond Proctor

The Executive Secretary informed the Commission that he contacted Raymond Proctor to appear at this meeting with his principal broker so that the Commission would determine whether or not to reactivate Proctor's license. Proctor could not attend this meeting as he was attending a meeting with the Board of Massage on this same day. The Executive Secretary was directed to request Proctor and his principal broker to appear at the next meeting.

Investigations: RE-471 Martin Da Mate

The Executive Secretary informed the Commission that Deputy Attorney General Ben Matsubara is reviewing Investigation Folder RE-471 on Martin Da Mate to determine whether the Commission should proceed with a hearing.

RE-479 Masao Shintani

The Executive Secretary reported that the findings of fact, conclusion of law and recommendation on Masao Shintani's hearing held on January

10, 1973 had to be redrafted and upon approval by the hearing officers, it will be signed and forwarded to the respondent. This matter will be ready for action by the next meeting.

RE-493 Wattie Mae Hedemann

It was made known at the last meeting that the suit against Wattie Mae Hedemann has been settled.

As far as the Commission is concerned, this complaint will become a permanent part of Wattie Mae Hedemann's record; the Commission is not pursuing this complaint further because of the settlement in court.

Hiromu Yamanaka moved and Herbert Isonaga seconded that Wattie Mae Hedemann be written a letter of warning advising her that the Commission will take action against her if any similar complaints arise. Motion unanimously carried.

RE-495 Leo Manol, Inc. / Doris Richardson

Upon motion, action against this complaint was again deferred pending disposition of litigation.

RE-501 Harold J. Enos dba Enos Realty

Herbert Isonaga moved and John Texeira seconded that the Commission dismiss this complaint inasmuch as the so-called agreements were verbal, thereby preventing the Commission from reaching a decision as to who is telling the truth; complainant to be advised to seek help through the Court. Motion carried unanimously.

RE-503 Aaron M. Chaney, Inc.

Herbert Isonaga moved that complainant, Dr. Marvin Greenberg, be advised that he has no claim to the three months' home exemption money since he was not a resident for that period--complaint dismissed. This motion was seconded by Hiromu Yamanaka and carried.

RE-511 International Syndications, Inc.

Action was deferred pending the finalization of the informal conference continued to the next meeting.

Pearl Nagatoshi - Real Estate Salesman

The Executive Secretary read a news release sent by our Hilo investigator regarding Pearl Nagatoshi, who was charged for embezzling \$1,300 from Great Hawaiian Realty, Inc. Her plea was guilty.

As this is a crime involving moral turpitude, the Commission's decision was to conduct an investigation after the judgment on Pearl Nagatoshi is pronounced.

New Business: Licensing

CORPORATION

Pioneer Service Corporation - 926 Fort Street, Honolulu
Walter P. Yim, PB
Naomi Grout Real Estate, Inc. - 91-886 Makule Rd, Box 36, Ewa Beach
Naomi M. Grout, PB
J. Y. Realty, Inc. - 256 Kuulei Road, Kailua
John C. S. Young, PB
Tom Evans, Inc. - 235 Queen Street, Honolulu
Thomas S. Evans, PB
GAH, Inc. - 1000 Bishop Street, Suite 908, Honolulu
George A. Henrickson, PB
Ken Wadahara Realty, Inc. - 121-A Banyan Drive, Hilo
Kenneth M. Wadahara, PB
Kalama Realty, Inc. - 59 Kalakaua Avenue, Hilo
Melvin Y. Mabuni, PB
Hilo Realty, Inc. - 159 Keawe Street, Hilo
Herbert A. Segawa, PB

BRANCH OFFICE

Bishop Realty, Inc. BR-8 - 225 Queen Street, Suite 504, Honolulu
Carl R. Questad, BIC

DBA

Phil Ice & Associates - 1451 South King Street, Suite 305, Honolulu
Philip W. Ice, dba
Waimea Realty - Waimea Office Center, Box 1120, Kamuela
Carl A. Farden, Jr., dba

Change of DBA names

Inter-Finance Investment, Inc. dba Rainbow Isle Investment
(former Bright Realty Investment)
Financial Center Realty - Eugene R. Furr dba
(former Center Realty)

John Texeira moved and Ah Kau Young seconded that the Commission approve the licensing processing of the above as tentatively approved by the Executive Secretary. Motion carried.

Questionable Application

William V. Brilhante dba Brilhante of Hawaii Realtors

In a letter William V. Brilhante has requested that the Commission grant him approval of using "Brilhante of Hawaii Realtors" as his dba.

The Executive Secretary reported that we have a "Brilhante and Associates, Inc.," in Honolulu that is registered with this office.

A motion to deny William Brilhante's request was moved by John Texeira, seconded by Herbert Isonaga and carried.

Miscellaneous: Meeting with Representatives of Hawaii Association of Real Estate Schools

As per their written request of February 15, 1973, Mary Shern and Kenji Kanazawa (John Stapleton was unable to appear due to illness) appeared before the Commission representing the Hawaii Association of Real Estate Schools to discuss the last State examination, and coverage of accredited broker schools on the outer islands, etc.

Mary Shern reported that an informal meeting was held with all the accredited real estate schools to evaluate their feelings with the examination given by Educational Testing Service. They expressed that: local law section--fair; math section--eighth grade level; and over-all exam--an aptitude test.

They were both informed by Mary Savio that these very same complaints were raised by the different states at the E.T.S. meeting just concluded, and E.T.S. will take steps to improve the examination in these areas.

To resolve the problem of the brokers course on neighbor islands, Mary Shern and Kenji Kanazawa suggested that the salesman course be coordinated with the brokers course and the brokers course going into more detail. They were both informed of the result of the discussion earlier held at this meeting with Wesley Park and of the Commission's decision of setting a minimum enrollment of 15 students for each broker course on each island per year.

Request for Hearing by Norma J. Boerner

The Executive Secretary reported that in a letter dated February 2, 1973, Norma J. Boerner demanded for a hearing before the Commission in the matter of denial of her application for real estate salesman re-examination on the basis of not fulfilling the basic education requirement.

The education requirements for real estate license of all states compiled by NARELLO were not completely accurate and misinforming. For this reason Norma Boerner's application was denied. The Executive Secretary reported that upon additional research on the education requirements, he discovered new information that may qualify Norma Boerner for re-examination. The new information reveals that the California Commission will accept completion of an approved real estate

course in lieu of completion of 4 college-level courses in real estate for broker applicants. Norma Boerner has indicated in her application that she may have completed such an approved course.

The Commission's decision was to defer setting up a hearing date for Norma Boerner as she may now qualify to sit for the April 28, 1973 salesman examination by submitting written confirmation of her California real estate education satisfactory to the Commission by March 19, 1973.

1973 Legislation

The Executive Secretary reported as follows on the respective proposed 1973 legislation:

S.B. No. 154 and H.B. No. 317: These are companion bills relating to increase in real estate license fees. The Chairman had testified at both hearings and the prospect of passage appears excellent.

S.B. No. 397: This bill relates to resident rental agents. Mary Savio testified at the hearing to oppose the bill.

H.B. No. 76: This bill relates to special permit required of brokers offering land situated out of state. The Director of Regulatory Agencies appeared to testify against the bill.

H.B. No. 41: This bill authorizes the Commission to mediate restitution in cases where the violation is not serious enough to revoke or suspend a license. No statement was submitted on this bill by the Commission.

H.B. No. 517: This bill relates to the licensing of real estate rental and management agents. Mary Savio appeared at the hearing to testify against the bill.

Correspondence: Packet from Real Estate Testing Service

The Executive Secretary informed the members that Real Estate Testing Service of Kentucky has sent a packet on their system of testing. Since E.T.S. is serving the Commission at present, the Executive Secretary was requested to forward the packet to Mary Savio for future reference.

Letter from Sylvia G. Nobriga

The Executive Secretary just inquired if all the Commissioners received a copy of Sylvia Nobriga's letter which criticized the January 1973 real estate examination in stating that the applicants took an aptitude test rather than a real estate exam.

Announcement: Fingerprint Service

The Executive Secretary explained the proposed changes of the Bureau of Identification in regards to fingerprint service. The Commissioners questioned why the local fingerprints must be forwarded to Washington. The Executive Secretary was directed to discuss this matter further with Ernest Yonemine, Acting Director of the Bureau of Identification.

Western District Conference

The Executive Secretary announced that the Western District Conference will be held on June 14-16, 1973 at the Westward Hotel in Anchorage, Alaska.

The Chairman and Vice Chairman will attend this conference.

Next Meeting

Date: Thursday, March 29, 1973 at 9:30 a.m.


Adjournment: There being no further business, Chairman Sodetani adjourned the meeting at 3:35 p.m.

Taken and recorded by



Peggy Lau, Stenographer

Approved by



Yukio Higuchi
Executive Secretary