

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

MINUTES OF MEETING

Date: Thursday, March 29, 1973

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  
Ah Kau Young, Member

Edwin H. Honda, Director of Regulatory Agencies  
Mrs. Hannah Keliihoomalu, Administrative Services Officer  
Ben Matsubara, Deputy Attorney General  
Yukio Higuchi, Executive Secretary  
Mrs. Peggy Lau, Stenographer

Representatives of Hawaii Association of Real Estate Schools  
John Stapleton, Mrs. Mary Shern and Ken Harris  
Richard Schulze, Attorney at Law

Absent: Louis Cannelora, Member

Call to Order: There being a quorum, Chairman Sodetani called the meeting to order at 9:30 a.m.

Minutes: Ah Kau Young moved and Hiromu Yamanaka seconded that the Commission approve the minutes of the February 22, 1973 meeting as circulated. Motion unanimously carried.

Special Meetings: Special Meeting with Representatives of Hawaii Association of Real Estate Schools to Discuss H.B. No. 1043

Mary Shern, John Stapleton and Ken Harris, representatives of the Hawaii Association of Real Estate Schools, appeared before the Commission to discuss H.B. No. 1043, which relates to real estate schools and instructors.

A proposed fee schedule prepared by the Executive Secretary and Al Feirer for accreditation of real estate schools and certification of instructors was presented to the representatives for their comments.

John Stapleton, acting president of the Hawaii Association of Real Estate Schools, informed the Commission that he had called a meeting

to get the full impressions of other accredited real estate schools. Their overall concern was having enough money so the Commission could tighten inspections to police schools better.

The representatives expressed that the smaller schools have complained about the fees being unfair. They proposed that the fee system be based upon the number of completion certificates issued by each school (\$1.00 for each certificate of completion issued).

Opinions were raised, suggestions were made and after considerable discussion, the Commissioners and representatives were in agreement that the fees should be as follows effective July 1, 1973:

- (1) \$500 - Accreditation of school and approval of first course (salesman or broker)
- (2) \$250 - Approval of second course (salesman or broker)
- \* (3) \$150 - Annual renewal for first course approved
- \* (4) \$100 - Annual renewal for second course approved
- (5) \$ 25 - Certification as an instructor
- (6) \$ 25 - Annual renewal for instructor
- (7) \$ 20 - Examination for instructor if required
- (8) \$ 25 - Approval as a specialized lecturer
- (9) \$ 25 - Annual renewal for specialized lecturer

\* Plus \$1.00 per certificate of completion issued

The annual renewal fee shall be payable on or before July 1 of each year.

The fees raised for the above purposes will go into the general fund and the Commission has the power and authority to use this money to hire an investigator to investigate and police the real estate schools.

The representatives were thanked for their time and contribution in helping to establish a fee schedule that was agreeable to all concerned.

#### Special Meeting with Raymond Proctor and his Employing Broker

Raymond Proctor and his employing broker did not show up for this meeting as requested.

#### Special Meeting with Director of Regulatory Agencies to Discuss Condominium Registrations

Edwin H. Honda, Director of Regulatory Agencies, and Mrs. Hannah Kelihoomalu, Administrative Services Officer, appeared before the Commission to aid in resolving administrative problems regarding the length of time it takes to have a condominium report issued due to the volume of staff's work and backlog.

The Commission took into consideration the pros and cons of an amendment proposed by the Hawaii Association of Real Estate Boards to be included in H.B. No. 1147 - Relating to Fees For Horizontal Property Regime Registration. This amendment would empower the Director of Regulatory Agencies to contract consultants to review condominium filings and public reports, at the cost of the developer, if at the end of 30 days, staff cannot issue the condominium public report.

At first the Commission was skeptical and opposed said amendment as it felt that said amendment might jeopardize the passage of the entire bill.

More discussion followed and with the assistance of the administrative officials, the Commission became convinced that the pros outweighed the cons of said amendment. The Commission felt that the administrative problems could be resolved and changed its position. Chairman Soretani volunteered to communicate with Representative Jack Suwa, Chairman of the House Finance Committee, to notify him that the Commission has changed its mind on the proposed amendment to H.B. No. 1147.

Appreciation was expressed to the administrative officials for their assistance.

Committee  
Reports:

Education Task Force Committee

Accreditation of Real Estate Schools, Certification of Instructors and Approval of Guest Lecturers

Committee Chairman Mary Savio reported that she met with the Executive Secretary to review applications for accreditation and certification, and her recommendations were as follows:

Aina Kupono School of Real Estate

Accreditation of School and Approval of Salesman Course

Be approved -- subject to clarification on tuition amount and refund provision.

John Mykut Real Estate School

Certification of Instructor - Raymond Kimura (S & B)

Be approved -- subject to passing qualifying examination.

Certification of Instructor - Lynn B. Nakkim

Be deferred -- Complaint Review Committee to hold an informal conference with applicant and her broker to discuss her real estate activity during the years 1971 and 1972.



Mary Savio explained that should the manual be acceptable to the Commission, nothing more than putting this manual on our recommended list of reading is expected by Real Estate Education Corporation. This manual will not be endorsed by the Commission nor become mandatory.

Ah Kau Young moved and Herbert Isonaga seconded that the Commission approve the addition of "Modern Real Estate Practices" and the accompanying Hawaii supplement to our list of reading material; and Mary Savio be authorized to discuss with the Hawaii Association of Real Estate Boards, for informational purposes only, the mechanics of selling the manual. Motion unanimously carried.

Suggested by the Commissioners to assist the Real Estate Education Corporation in composing a Hawaii supplement were: Jon Chinen, Louis Cannelora, Kinji Kanazawa and Kenneth Chong.

Mary Savio announced that Albert Feirer has recommended for the Commission's consideration Charles Clark to serve as a part-time education consultant to review and report on accredited real estate schools.

#### Educational Testing Service

As reported by the Executive Secretary, an additional \$540 had to be paid to Educational Testing Service for the January exam. After staff had transmitted the list of eligible candidates to E.T.S., a total of 60 applicants cancelled out from taking the examination. Even though applicants cancelled out, State is still obligated to pay \$9.00 for each name submitted. The State is at a loss as candidates may receive a refund on the examination fee or reschedule the examination for a later date. The Executive Secretary was directed to request the Licensing Administrator to draft proposed revisions to the rules to correct this problem.

The Chair informed the Commission to advise candidates requesting regrading of examination papers to write to Educational Testing Service as the Real Estate Commission has no control over this.

#### Condominium Review Committee

No discussion or action -- Committee Chairman Louis Cannelora could not attend this meeting.

#### Real Estate Recovery Fund

Civil No. 37111, Pearl Osumi and Evelyn Kurosumi vs. Yoshiharu Hirashima dba Pacific Land Company

Deputy Attorney General Ben Matsubara advised the Commission that he took the matter of the additional \$4,503.34 awarded

to the Plaintiffs to Court on the grounds that the additional amount may be in violation of the statute of limitation of the recovery fund; and he lost the case.

Ah Kau Young moved and Herbert Isonaga seconded that the Executive Secretary be authorized to make payment of \$4,503.34 as ordered by the Court from the recovery fund to Osumi and Kurosumi. Motion unanimously carried.

Hironu Yamanaka moved and Mary Savio seconded that the Commission formerly acknowledge the automatic termination of Yoshiharu Hirashima's real estate broker's license. Motion unanimously carried.

The Executive Secretary was directed to write to Yoshiharu Hirashima informing Hirashima that his real estate broker's license has been automatically terminated as of this day and that he is ordered to cease and desist all real estate activity immediately. Chairman Sodeani ordered staff to make notice of Hirashima's license termination in the newspapers.

#### Attorney General's Report

Ben Matsubara, Deputy Attorney General, advised the Commission to amend some statutes in the law that are ambiguous. He suggested that Section 467-16 be amended to clearly reflect that the \$10,000 limitation applies to "per transaction" and not to "any person". He explained that the Court had ordered the Commission to pay a total of \$14,503.34 to Paul Osumi, Jr. and Evelyn Kurosumi in Civil No. 37111, because of the words "any person", which was interpreted to mean that each person aggrieved by an act is entitled to recover \$10,000 from the recovery fund.

#### Business Out of Minutes:

#### Special Weekday Examination for Religious Reasons

The Executive Secretary briefly read a letter from a religious organization which questions and challenges the Commission in regards to not giving a special examination due to religious reasons.

The Chair informed the Commissioners that a copy of this letter was mailed to him and he contacted Ben Matsubara for advice. The Chair further informed the Commission that since the next exam date is rapidly approaching he took it upon himself to make a decision as he felt it unfair to keep applicants waiting any longer.

Mary Savio moved and John Texeira seconded that the Commission rescind its action of February 22, 1973 under the subheading "Request for Weekday Examination"; and that the Chair's decision

to allow people requesting a special weekday examination for strictly religious reasons, be ratified, provided, however, the applicants bear the full costs of the special examination. Motion carried without dissent.

Request for Hearing by Norma Boerner

The Executive Secretary reported that as directed by the Commission he wrote Norma Boerner informing her that her request for a hearing date has been deferred as the Commission will reconsider her application for the April 1973 real estate salesman examination if she submits written confirmation of her California real estate education satisfactory to the California Real Estate Commission by March 19, 1973.

It was further reported by the Executive Secretary that in reply to his letter, Norma Boerner questioned and criticized the Commission's prerequisites and interpretation of the law and again demanded a hearing before the Commission.

The Executive Secretary was directed to inform Norma Boerner that her request for a hearing has been scheduled for the next Commission meeting at 9:30 a.m.

Fingerprint Service

It was reported by the Executive Secretary that he contacted Ernest Yonamine, Acting Director of the Bureau of Identification, to discuss the possibility of reverting back to the past practice of handling local and mainland fingerprints differently in the interest of saving time for local applicants.

The Executive Secretary reported that the Bureau of Identification has administratively adopted a new procedure whereby all fingerprints are sent to the mainland as well as to the Honolulu Police Department to save their employee's time. Ernest Yonamine mentioned that if the Commission definitely wants to have the prints handled differently, they would comply with the Commission's request although it will create some burden for them.

The Commission was in agreement to cooperate with the Bureau of Identification's new procedure.

Investigations: RE-493 Wattie Mae Hedemann

Richard Schulze, attorney for Wattie Mae Hedemann, appeared before the Commission in an attempt to convince the Commission why a letter of warning to Wattie Mae Hedemann would be improper.

Following Richard Schulze's detailed explanation of the surrounding circumstances of the dispute between Dr. Stecker and Mrs. Hedemann, a question and answer period took place.

Richard Schulze informed the Commission that Dr. Herbert Stecker has withdrawn his complaint, but Mrs. Hedemann will not participate in the settlement if the Commission draws the conclusion that she is guilty of wrongdoing and deserving of a letter of warning.

In summary, Schulze informed the Commission that settlement of this case is being held up pending the Commission's decision. He urged the Commission to keep in mind his explanation of the surrounding circumstances and to drop this complaint without prejudice and without a letter of warning.

Prior to leaving the meeting Schulze was advised by the Chairman that soon after a decision is reached, he would be notified.

After considerable discussion, Herbert Isonaga moved and John Texeira seconded that the Commission rescind its decision of February 22, 1973 to the effect that no letter of warning be sent to Mrs. Hedemann and that this case be closed. Motion unanimously carried.

RE-479 Masao Shintani

The Executive Secretary reported that the findings of fact on Masao Shintani's hearing held in January 1973 was signed on March 1, 1973 and the 15-day notice to file exceptions was mailed out in compliance with the law.

Herbert Isonaga moved that the Commission accept the findings of fact and recommendations of the hearing officers that Masao Shintani's real estate broker license be suspended for 30 days and that this suspension be widely published. The motion was seconded by Ah Kau Young and carried unanimously.

The Executive Secretary was directed to have Masao Shintani's suspension printed in the newspapers and to notify all realty boards. Masao Shintani will have to return his license, close his office, cancel his listings and remove his office signs for 30 days.

RE-497 and 498 Yoshiharu Hirashima dba Pacific Land Company

The Commission had earlier ruled that Yoshiharu Hirashima's license be terminated immediately, and that this be published in the newspapers.

RE-521 Yoshiharu Hirashima

The Commission decided no action will be taken against Hirashima since his license has already been terminated. This report will be kept in file in case there is a future need.

RE-511 International Syndications Inc.

The Commissioners compiled a list of questions and items that the Executive Secretary is to discuss with Deputy Attorney General Ben Matsubara, and its subsequent transmittal to International Syndications, Inc.

New Business:

Licensing

CORPORATION

Maile Realty Corp. - Main Gov't Road, Mamalahoa Highway, Ninooles, HI  
Dorothy S. Hirowatari, PB  
Pacific Growth Properties, Inc. - 1350 So. King St., Suite 308, Hon.  
Oscar M. Nishihira, PB  
Werner Realty, Ltd. - 4211 Waiialae Avenue, Suite 209, Honolulu  
Alfred J. Werner, PB  
Princeville Realty Corp. - Princeville Sales Bldg., Hanalei, Kauai  
Harold T. Yamada, PB  
Lewis Realty, Inc. - 7192 Kalaniana'ole Highway, Suite 225, Honolulu  
Russel G. Lewis, PB  
Kinji Kanazawa Real Estate School, Inc. - 225 Queen, Ste. 302, Hon.  
Kinji Kanazawa, PB  
Elite Properties, Inc. - 1109 Bethel Street, Suite 404, Honolulu  
Ramon N. Chiya, PB  
Landex-Hawaii, Inc. - Kamuela Office Center, Room 5, Kamuela, HI  
Robert E. Bowman, PB  
Jean Marie, Ltd. - 1860 Ala Moana Boulevard, Honolulu, Hawaii  
Jean M. Stark, PB

BRANCH OFFICE

Diversified Syndications, Inc. - Kailua Bay Inn, Kailua-Kona  
Frederick C. Stephani, BIC

DBA

Arthur's Realty - 914 Ala Moana Blvd., Suite 203, Honolulu  
Arthur K. W. Ho, dba  
Hanson Realty - 745 Fort Street, Suite 1110, Honolulu  
Noel S. Hanson, dba (dba formerly used by Jerol Hanson)  
Rainbow Realty - Room 938, Pacific Trade Center, Honolulu, HI  
Robert R. Cloutier, dba  
Ken Mac Donald Realtors - 888 Front St., Box 907, Lahaina, Maui  
Murdock K. MacDonald, dba  
William V. Brilhante, Realtors, 961 Kilauea Street, Hilo, Hawaii  
William V. Brilhante, dba  
B. G. Associates - 225 Queen Street, Suite 7G, Honolulu, HI  
Barth Gilcrist, dba  
Walter's Realty - 1402-A Liliha Street, Honolulu, Hawaii  
Walter Wong, dba  
Pride Properties - 680 Ala Moana Blvd., Room 403, Honolulu  
Raymond J. F. Chang, dba

It was moved by Herbert Isonaga and seconded by Hiromu Yamanaka that the Commission approve the licensing processing of the above as tentatively approved by the Executive Secretary. Motion carried.

Questionable Applications

Norman Dee Frane

The Executive Secretary reported that Norman Dee Frane has applied for a part-time real estate brokerage business. His intentions are to open for business from 1 p.m. to 7 p.m., Fridays, Saturdays, Sundays and Mondays. After discussing this with the Licensing Administrator, the Executive Secretary had advised Frane that his proposal was not satisfactory to the Commission due to the proposed office hours.

In a letter dated February 27, 1973, Frane inquired on what basis and where in the State regulations does it indicate that he would be in violation for opening a part-time brokerage business.

From the discussion it was discovered that Frane is employed with the Farmers Home Administration, U. S. Government, and the brokerage business might be in conflict with his government duties.

The Commission was in agreement to defer action and to inform Norman Dee Frane that, in the interest of the real estate consumer, the Commission will study his proposal before rendering a decision.

Raymond Keaunui Pua

The Executive Secretary reported that Raymond Pua was fined \$25 on July 23, 1969 for an act of lewdness, which he failed to indicate on his application for salesman examination.

Herbert Isonaga moved and Ah Kau Young seconded that the Commission advise Raymond Pua that it intends to accept his application in spite of his failure to report that he was convicted. Motion unanimously carried.

Other  
Business:

Absence of Brokers Course on Neighbor Islands

The representatives of the Hawaii Association of Real Estate Schools again appeared before the Commission. The topic for discussion was neighbor island brokers course.

John Stapleton and Mary Shern reported that they got together with Wesley Park and that a committee of six people from the major real estate schools was formed. They plan to run a brokers course on the islands of Hawaii, Maui and Kauai. This course will be for 6 weeks (all day Saturday or Sunday). Each member of this committee will teach one week on a rotation

basis. If some school is teaching a broker course on an island, the Association will not hold a broker course on that island. The funding will be from a tuition fee (\$150 - \$200), which will cover air fares, per diems and the balance to go into the Association's treasury. The Certificate of Completion will be issued under the name of the Hawaii Association of Real Estate Schools.

Wesley Park will be responsible for publishing the dates that the broker course will be held one month ahead in the local newspapers.

John Stapleton announced that the schools will submit the course outline and the dates they will teach each island.

The Commission informed the representatives that the Hawaii Association of Real Estate Schools will not have to be accredited.

The Chair announced that it makes the Commission happy when they bind together, and that it is pleased with its planned program to bring the broker course to each island once a year.

John Stapleton further informed the Commission that they plan to have a seminar for those new schools who need help in upgrading their instruction program.

There was discussion on the method of notifying each school of its percentage of pass/fail on the real estate examination. The Association requested that, to better enable the schools to help each other, a list of all the schools' pass/fail percentages be distributed to all the schools. The Commission informed the Association if all schools agree, in writing, the Commission will comply with their request.

Miscellaneous:      1973 Legislation

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

H.B. No. 700 and S.B. No. 397: These are companion bills relating to resident rental agents. Mary Savio testified at the hearing to oppose the bills.

S.B. No. 910 and H.B. No. 1147: These are companion bills relating to increase of condominium fees. Mary Savio testified at both hearings in favor of the bills.

S.B. No. 589 and H.B. No. 1043: These are companion bills relating to real estate schools and instructors. Herbert Isonaga testified at the Senate hearing and Chairman Sodetani testified at the House hearing in favor of the bills.

S.B. No. 711: This bill relates to escrow fees charged by real estate brokers. The Commission opposed this bill.

H.B. No. 1352: This bill relates to the composition of the Real Estate Commission. Chairman Sodevani testified at the House hearing to oppose the bill.

H.B. No. 2024: This bill relates to requisites for real estate examination and license. Mary Savio testified at the hearing in favor of this bill.

Correspondence: Letter from Ronald Y. Amemiya, Director of Consumer Protection Regarding Sheldon Soosman and Kathryn Vonnegut

The Executive Secretary reported that through correspondence Ronald Amemiya, Director of Consumer Protection, called the Commission's attention that civil action had been won against Mini Cost Rentals of Hawaii, Inc., for unfair, fraudulent and deceptive acts and practices. Amemiya advises the Commission of Sheldon Soosman's and Kathryn Vonnegut's (both real estate licensees) involvement as operators of Mini Cost Rentals of Hawaii, Inc., and requested that the Commission start proceedings to revoke their real estate licenses.

Herbert Isonaga moved and John Texeira seconded that the Commission start proceedings of revocation against Sheldon Soosman's real estate salesman license pursuant to the judgment rendered against Soosman for his immoral character and dishonest dealings. Motion unanimously carried.

The Executive Secretary was directed to request that Ronald Amemiya produce evidence and material of Kathryn Vonnegut's involvement in the fraudulent operations by Soosman before the Commission can take any action against her license.

Letter from NARELLO's President

The Executive Secretary informed the Commission that Joseph Schweidler, President of NARELLO, would like to appoint the Executive Secretary or a Commissioner as a replacement on NARELLO's Committee on Legal and Professional Conduct.

The Chair appointed the Executive Secretary to serve on NARELLO's Committee on Legal and Professional Conduct.

Letter from California Commission

The Executive Secretary informed the Commission of the main points in a letter from the California Commission in reference to multi-state examinations.

The Chair entertained a motion to empower the delegates of NARELLO's Alaska conference to pursue this matter further relative to education.

The Executive Secretary was directed to forward a copy of this letter to each Commissioner.

Next Meeting

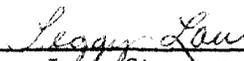
Date:

Thursday, May 3, 1973, at 9:30 a.m.

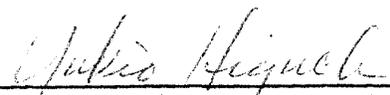
Adjournment:

There being no further business to transact, Chairman Sodeani adjourned the meeting at 4:15 p.m.

Taken and recorded by

  
\_\_\_\_\_  
Peggy Lau, Stenographer

Approved by

  
\_\_\_\_\_  
Yukio Higuchi, Executive Secretary