

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

MINUTES OF MEETING

Date: Thursday, May 10, 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
Louis Cannelora, Member
Ah Kau Young, Member

Ben Matsubara, Deputy Attorney General
Dennis Chong, Deputy Attorney General
Yukio Higuchi, Executive Secretary
Mrs. Peggy Lau, Stenographer

Representatives of the Hawaii Association of Real Estate Schools
John Stapleton, Mary Shern, Cliff Stark and John Riley
Wesley Park, Director of Small Business Management, College of
Business Administration, U.H.
George Morris, Jr., Honolulu Board of Realtors
Dr. Edward Laitila, College of Business Administration, U.H.
Diane Coughman, Honolulu Star-Bulletin

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 March 29, 1973 meeting as circulated. Motion unanimously carried.

Hearing: Examination Application Denial Appeal Hearing for Norma J. Boerner

Norma Jean Boerner appeared before the Commission with her brother, Arthur Boerner, for a hearing in the matter of denial of her application for real estate salesman re-examination on the basis of not fulfilling the basic education requirement. Boerner represented herself by giving her views and reasons why she strongly believes that she qualifies to sit for the salesman examination.

A question and answer period took place and after considerable discussion, the Commission felt that a decision on Norma Boerner's application could be reached. Before being excused Norma Boerner was informed that soon after a decision has been reached she would be notified.

Herbert Isonaga moved and John Texeira seconded that Norma Boerner be advised that her application will be denied until she satisfactorily fulfills the basic education requirement. Motion unanimously carried.

Committee
Reports:

Education Task Force Committee

Accreditation of Real Estate Schools, Certification of Instructors, Approval of Guest Instructors, and Other Related Matters

Committee Chairman Mary Savio reported that she met with the Executive Secretary to review applications for accreditation of schools, certification of instructors, approval of guest lecturers and other related matters. The following matters were discussed and their recommendations are as follows:

Royal Hawaiian Realty, Inc. - This brokerage firm is offering scholarships to applicants for real estate examination. They offer to pay the applicant's tuition to an accredited school.

Upon review of their proposal and proposed advertisement, it was felt that there appears to be no way the Commission could stop them from offering and advertising scholarships, inasmuch as, they do not tie the scholarships to an employment agreement. The Education Task Force Committee recommends that Royal Hawaiian Realty, Inc., be warned that students are not allowed to participate in the sales program until they are properly licensed as salesmen.

Waikiki Realty Real Estate School - Ken Harris had written to inquire whether a real estate school could offer free courses as a means of recruiting prospective salesmen.

The Committee's recommendation is to allow Waikiki Realty Real Estate School to offer "free" real estate courses, provided that, the students are not tied to an employment agreement as a condition to qualify for free lessons, and further that, all students must receive the same free lessons. It was further recommended that the Executive Secretary meet with the head of the school to determine what is their justification for granting a completion certificate to Robert H. Kubota when Kubota had attended 12 of the 14 lessons at Harris Real Estate School.

U of H, Small Business Management Program - Brokers Course

The proposed brokers course to be offered through the Honolulu Campus, Hilo College, Maui Community College, and Kauai Community College was found satisfactory and approval is recommended.

David Bartholomew's Hawaii School of Real Estate - Recommend approval of change of name to "The Bartholomew Real Estate Foundation."

Recommend approval of Mark L. Haiman, guest lecturer, to teach real estate law. Haiman is a graduate of Columbia University with a law degree.

Hawaii Pacific College - Dean Chatt Wright requested that the Commission grant GRI designation or credits toward earning a GRI designation to students who have completed six specific courses or some of the six courses at his college.

Recommend that Dean Wright be advised that the Commission has no authority to certify Hawaii Pacific College's courses as GRI courses as this is a function of the Hawaii Association of Real Estate Boards.

Louis Cannelora moved and Ah Kau Young seconded that the Commission adopt the recommendations of the Education Task Force Committee. Motion unanimously carried.

Real Estate Manual

Mary Savio reported that she sent the following names with their general background to Mr. Kyle of the Real Estate Education Corporation for his consideration in selecting someone to compose the Hawaii supplement: Larry Smith, Bob Rediske, Louis Cannelora, James Conahan and Jon Chinen.

Mr. Kyle will personally come to Hawaii in late May to interview the people recommended by the Commission and to contract with someone to compose the Hawaii supplement.

Educational Testing Service Fee

The Executive Secretary reported that as directed he requested that the Licensing Administrator prepare a proposed amendment to the rules which would free the State from being obligated to pay \$9.00 for each name submitted to E.T.S., if candidate cancels out from taking the examination. The Licensing Administrator has prepared the proposed amendment, but it will not be submitted at this time due to the Governor's memorandum to cut out all deferable expenses until after July 1, 1973.

Condominium Review Committee

Committee Chairman Louis Cannelora reported that he felt that his committee is too large and that he would like to restructure the committee. His request that the Chair let him submit names that could be of help to his restructured committee was granted, provided that he informs the Chair of his committee members.

Chairman Sodetani directed Louis Cannelora to make a progress report at each meeting. They are to explain the problem and to give possible solutions.

Real Estate Recovery Fund

The Executive Secretary reported that there has been no significant change pertaining to the Real Estate Recovery Fund.

Attorney General's Report

Ben Matsubara, Deputy Attorney General, met in an executive session with the Commission to discuss various matters.

Business Out
of Minutes:

Questionable Application

Norman Dee Frane

After considerable discussion on Norman Frane's application for a part-time real estate brokerage business, John Texeira moved and Hiromu Yamanaka seconded that the Executive Secretary be authorized to meet with the Attorney General to determine whether the Commission has grounds to deny the issuance of an independent broker's license to Frane. Motion carried.

Investigations: Lynn B. Nakkim

The Executive Secretary reported that the Complaint Review Committee had scheduled an informal hearing with Lynn Nakkim and her broker to discuss her real estate activity during the years 1971 and 1972, but Lynn Nakkim withdrew her application for instructor's certification and made excuse that she would not be able to attend the informal hearing.

Hiromu Yamanaka moved and John Texeira seconded that the Commission investigate this matter further to find evidence of Lynn Nakkim's unlicensed activity during the years 1971 and 1972, and if need be, proceed to a formal hearing. Motion unanimously carried.

Pearl A. Nagatoshi

A memorandum from our Hilo Investigator was read by the Executive Secretary informing the Commission that Pearl Nagatoshi was sentenced to five years of probation for committing embezzlement while employed as a real estate salesman at Great Hawaiian Realty, Inc.

As this is a crime involving moral turpitude, Ah Kau Young moved and John Texeira seconded that a formal hearing be initiated for revocation of Pearl Nagatoshi's real estate salesman license. Motion unanimously carried.

Bob Mueller Realty, Inc.

The Executive Secretary was directed to check out if Bob Mueller has a gross income tax license and report back to the Commission.

RE-499 Lewis Realty, Inc.

Before disposal of this case, the Executive Secretary was directed to attempt to contact Hibdon for further information.

RE-511 International Syndications, Inc.

During the lengthy discussion on International Syndications, Red Morris advised that he knows of some people who were former employees of ISI and would be willing to come forth and give information against ISI. He stipulated that these people would not come forward unless they are assured that the Commission will not take action against their license.

Mary Savio moved and Ah Kau Young seconded that the Commission grant immunity on the real estate licenses, but not on civil liabilities or on criminal prosecution to those people who come forward and produce evidence on ISI as more good can be done from this immunity to protect the real estate consumer. Motion carried.

The Executive Secretary was directed to request that the Attorney General's Office take another look at undivided interest sales to determine whether it is real estate or securities.

John Texeira moved and Mary Savio seconded that the scheduled meeting with Laikind and Mahakian be deferred as the Commission will now proceed with a full investigation on ISI. Motion carried.

RE-535 Read Realty, Inc.

Ron Loftus, acting chairman representing Save Hawaii Loa Ridge Association, was granted an audience before the Commission to give a background on what he is opposing in the Aina Haina and Niu Valley area and the reason for his complaint.

The Executive Secretary was directed to refer this matter back to investigation for any possible violation. If a hearing is necessary, the hearing officers will be Ah Kau Young and John Texeira.

Audience:

Hawaii Association of Real Estate Schools

The Representatives of the Hawaii Association of Real Estate Schools appeared before the Commission to discuss the new ruling, which effective immediately, one must fulfill all requirements before the examination date.

All Commissioners were in complete agreement that the new requirements should be suspended for the July examination.

The Executive Secretary was directed to check with the Attorney General's Office if the Commission has the discretion to suspend the new requirements, and to immediately report back to the Chairman.

Herbert Isonaga moved and Mary Savio seconded that the Commission grant the Associations request for a copy of the examination results. Motion unanimously carried.

The Association also requested the pass/fail percentages of parts of the examination and the areas of the most missed questions. They were informed to inquire about the cost of pulling such information out of the computers from E.T.S.

The Chair requested that the Association put all of their requests to the Commission in writing.

New Business:

Licensing

NEW CORPORATION

Pride Properties, Inc. - 680 Ala Moana, Room 403, Honolulu, HI
Raymond J. F. Chang, PB

Don Izumi, Inc. - 45-1048 Kam Highway, Kaneohe, Hawaii
Donald N. Izumi, PB

Evron Corp. - WOW Bldg., Box 967, Kailua-Kona, Hawaii
Helen Lindley, PB

D. H. Graham Company, Ltd. - 1441 Kapiolani, Suite 1213, Honolulu
Donald H. Graham, Jr., PB

McLaren Corp., Realtors - 99-128 Aiea Heights Drive, Aiea, Hawaii
Ennis C. McLaren, PB

Quality Realty, Inc. - 33 South King Street, Suite 227, Honolulu
Toshio Yoshida, PB

Palisades Management, Inc. - 1149 Bethel, Suite 715, Honolulu
Harold K. Kometani, PB

Business Properties, Inc. - 700 Bishop Street, Suite 615, Honolulu
F. Mitchell Wright, PB

Smith Development Corp. - Suite 1625 Davies Pacific Center, Honolulu
Peter S. Smith, PB

Shangri-La Realty, Ltd. - 560 Alexander Young Building, Honolulu
Ken Mukai, PB

Hawaiiana Investment Co., Inc., dba Brewer Realty Company
Victor D. Olson, PB 745 Fort Street, Suite 1700, Hon.

BRANCH OFFICE

Gordon Crabtree & Associates, Inc. BR-1 - 210 Ward, Ste. 106, Hon.
Robert W. Amonn, Jr., BIC

DBA

Pali View Realty - 119 Merchant Street, Room 506, Honolulu
David H. Claus, dba
Realty Homes - 1451 South King, Suite 314, Honolulu
H & H Development Corp., dba
Frane's 2x4 Realty - 80 Pauahi Street, Hilo, Hawaii
Margaret R. Frane, dba
Oahu Realty - 745 Fort Street, Suite 418, Honolulu
Lawrence M. Horowitz, dba
Young & Associates Realty Co. - Suite 203, 914 Ala Moana, Hon.
Charles S. C. Young, dba
Properties Unlimited - 827 S. Beretania, Suite 201, Honolulu
Albert R. Smith, dba
Waikoloa Realty - Waikoloa Village, Box 1090, Kamuela
Vernon F. Davies, dba (zoning approval expires 8/15/74)
Lawrence Stevens, Realtor - Suite 1501 Amtac Building, Honolulu
Lawrence Stevens, dba
LSI Realty - 700 Bishop Street, Suite 1112, Honolulu, Hawaii
Lear Siegler Properties, Inc., dba
Mr. D's Realty - 821 Cooke Street, Honolulu, Hawaii
Duane M. Murraray, dba
Chester Lim, Realtor - 1312-A Kaumualii, Honolulu, Hawaii
Chester C. S. Lim, dba
C. M. Bartolome & Company - 94-164 E Awalau Street, Waipahu
Cristobal M. Bartolome, dba
Benjamin T. Gudoy, Realtors - 11 South King, Honolulu, Hawaii
Benjamin T. Gudoy, Realtors, dba
Kuleana Realty - 1126 12th Avenue, Suite 205, Honolulu, Hawaii
Herbert Y. Yoshimura, dba
World Wide Realty Investments - 1860 Ala Moana, Suite D5, Honolulu
Gene Musket, dba

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

Questionable ApplicationsDavid B. Helms (salesman license)

John Texeira moved and Ah Kau Young seconded that the Commission issue David B. Helms a real estate license since Helm's did acknowledge the fact that he was fined \$150 for possession of marijuana and that his probation will be lifted (a letter confirming this will be submitted). Motion carried without dissent.

Stephen B. Miller (salesman examination)

The Executive Secretary reported that this is similar to Norma Boerner's case -- Stephen Miller is requesting that the Commission grant him a waiver of the education requirement for attending Dick Jones Real Estate School in Colorado.

Mary Savio moved and John Texeira seconded that the Commission deny Stephen B. Miller's request for a waiver. Motion carried.

Miscellaneous: 1973 Legislation

The Executive Secretary reported that the following bills have passed:

S.B. No. 910 - Relating to condominium filing fees.

H.B. No. 2024 - Relating to prerequisites for licensing examinations and for issuance of license.

H.B. No. 1043 - Relating to real estate schools and instructors.

H.B. No. 317 - Relating to increase in real estate license.

Mrs. Bernadette Gulisao's Report of E.T.S. Meeting

The Executive Secretary inquired if all Commissioners received a copy of Bernadette Gulisao's travel report to the Governor. Since all had received a copy, the reading of her report was dispensed with.

Filing Date Extension for Staff

Herbert Isonaga moved and Mary Savio seconded that the Commission extend the filing date deadline for staff to file for real estate salesman license to June 30, 1973. Motion carried unanimously.

Moratorium on B & C Account

The Executive Secretary advised the Commission that the Governor had placed a moratorium on "B" and "C" account spendings effective until June 30, 1973. In keeping with the moratorium, the Commission decided to forgo the May 31, 1973 scheduled meeting and move up the June meeting to June 7, 1973, thereby eliminating one meeting.

Priority Consideration for Final Public Reports

This has been referred to the Condominium Review Committee for consideration.

Correspondence: Letter from Kona Board of Realtors

The letter requesting that some of the Commissioners visit Kona periodically to discuss licensing matters with the Kona licensees was accepted and filed for future reference. The Commission felt that this was an inopportune time to pursue this request due to the poor financial condition of the State.

Announcement: None

Next Meeting

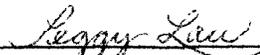
Date:

Thursday, June 7, 1973, at 9:30 a.m.

Adjournment:

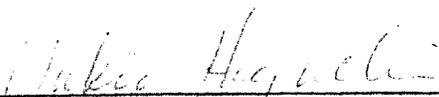
There being no further business to transact, Chairman Sodemani adjourned the meeting at 4:40 p.m.

Taken and recorded by



Peggy Lau, Stenographer

Approved by



Yukio Higuchi, Executive Secretary