

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

MINUTES OF MEETING

Date: Thursday, July 27, 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

Edwin H. Honda, Director of Regulatory Agencies  
Ben Matsubara, Deputy Attorney General  
Clyde Sumida, Deputy Attorney General  
Yukio Higuchi, Executive Secretary  
Mrs. Peggy Lau, Stenographer

George Morris, Jr., Honolulu Board of Realtors  
Tom Galt, Vice for Douglas Prior  
Bob Bone, Honolulu Advertiser Reporter  
James Williams, Century 21 Real Estate, Inc.  
Henry Fletcher, Applicant for Salesman License  
John Buttrick, Applicant for Broker License

Call to Order: There being a quorum, Chairman Sodetani called the meeting to order at 8:50 a.m.

Minutes: Ah Kau Young moved and Hiromu Yamanaka seconded that the minutes of the June 7, 1973 meeting be approved as circulated. Motion carried.

Hearing: John W. Buttrick's Application for Real Estate License

Per John Buttrick's request of July 5, 1973, the Commission granted Buttrick a hearing to reconsider his application for real estate broker license; application was denied for failure to satisfy the two years' experience requirement for broker applicants. He was granted credit of one year for his Ohio real estate broker experience but failed to show any Hawaii real estate sales experience.

John Buttrick was not accompanied by counsel. His opening statement was an explanation of how he is in a predicament where he cannot possibly fulfill the additional one-year Hawaii experience requirement within one year from the date of his examination. His request

for a hearing was based upon an honest misunderstanding of verbal information given by the Licensing Administrator. Had he known that he could not meet the experience requirement, he would not have applied for the examination. He continued on by briefly apprising the Commissioners of his background and extensive experience in real estate on the mainland.

During the question and answer period, Buttrick was informed that he will not qualify for more than one year's credit and the other year's experience must be gained in Hawaii. He requested that the Commissioners consider extending the terminal date of compliance of the one year requirement after the date of examination in which to apply for his broker license.

It was moved by Herbert Isonaga and seconded by Ah Kau Young that this matter be taken under advisement and Buttrick be notified of the Commission's decision shortly thereafter. Motion carried.

Executive Session:

The Commission went into executive session at 10:05 a.m.; considerable discussion took place; executive session adjourned at 10:28 a.m.

Reconvene:

Chairman Sodetani reconvened the meeting at 10:28 a.m. John Texeira moved and Hiromu Yamanaka seconded that John Buttrick's request for an extension of time and his license be denied. (This does not preclude Buttrick from submitting additional material in support of his application in April 1974.) Motion carried. Louis Cannelora casted a dissenting vote.

H.P.R. Consultant Contract:

Edwin H. Honda, Director of Regulatory Agencies, informed the Commission that the Horizontal Property Regime consultant contract is all set up to move, except for the actual appointments, and that he is open for suggestions for about 4 or 5 more people. He will rely upon attorneys because of the pressing time.

Edwin Honda anticipates on holding an orientation session next week with the Executive Secretary and with the people he designates so that the work can commence. He mentioned that this will be a short-deal thing that will hopefully clear up the backlog of condominium projects within two months.

The Commissioners were in agreement of having publicity on the consultant contract.

Committee Reports:

Education Task Force Committee

Approval of Broker Course, Approval of Guest Instructors, and Certification of Instructors

Committee Chairman Mary Savio reported that she met with the Executive Secretary to review applications for approval of

broker course, certification of instructor, and approval of guest lecturers. The following is a list of matters reviewed and the recommendations of the reviewers:

Hawaii Association of Real Estate Schools' Broker Course

Approve the course curriculum and approve the course program subject to John Buttrick being approved as a guest lecturer in math.

Guest Lecturers

- John Buttrick - Approve Buttrick as a guest lecturer in math for the broker course
- Anthony Bauer - Approve Bauer as a guest lecturer in math for the salesman and broker courses

Certification of Instructor

- Wallace Klein - Approve Klein as a salesman instructor. Although Klein has not fulfilled the additional qualification requirement, he be granted an instructor's certificate on the basis that he is an attorney and be qualified for salesman examination by way of waiver of education requirement.

Mary Savio moved and Herbert Isonaga seconded that the Commission accept the recommendations of the Complaint Review Committee. Motion unanimously carried.

Interstate Properties School of Real Estate

The Executive Secretary reported that after reading an advertisement in the newspaper, he immediately called Interstate Properties School of Real Estate as the Commission was not made aware that said school was offering free real estate courses.

The Executive Secretary briefly read a letter from Raymond Kam, President of Interstate Properties, Inc., which explained that they would be offering free courses and "on site" job preparation and the students would not be obligated to conform to their program.

Mary Savio moved and Ah Kau Young seconded that Ray Kam be advised that under no uncertain terms he cease and desist on-site training as this is a circumvention of the law, and that guidelines be set up on what he will be permitted to do. Motion carried unanimously.

Question was raised as to what unlicensed persons are actually doing at these dinner meetings. The Chair deferred this matter

to the next meeting at which time the Commissioners will be asked to share their knowledge. The Chair also requested that the Honolulu Board of Realtors assist the Commissioners in policing this area.

#### Recommendations Regarding Real Estate Education Certificate

The following is a list of recommendations from staff regarding the real estate education certificates:

- (1) Schools submit list of both qualified and unqualified students by deadline date.
- (2) Certificates for those who have not made application to take examination be returned to respective schools.
- (3) Students be advised that school is responsible for submitting certificates.
- (4) Schools put their registered names on 2a(1) of salesman application and on 4a(1) of broker application prior to giving applications to students.
- (5) Commission rescind its earlier directive that staff keep certificates of completion for 2 years, and students be required to submit a copy of their own certificate when submitting a new application after the 3-examination period.

Mary Savio moved and John Texeira seconded that the five suggestions made above by staff be accepted and that the Executive Secretary notify schools as soon as possible. Motion carried.

#### Establishment of Experience Credit Policies

The Executive Secretary requested that the Commission establish a set policy on how much credit should be granted toward a waiver to persons with related experience in vocations directly related to real estate.

During the discussion, Herbert Isonaga passed around a guideline booklet entitled, "Instructions to License Applicants", which gives California's Commission's policies on granting credit for equivalent kinds of experiences.

Herbert Isonaga moved and Ah Kau Young seconded that the Commission adopt California's equivalency experience guidelines to be applicable to Hawaii and that these be considered when requests for waivers come in. Motion carried unanimously. (The guideline booklet was referred to the Education Task Force Committee for review.)

#### Registration of Real Estate Schools and Fees

The Commission suspended payment of renewal fees for July 1, until the mechanics can be worked out--matter was referred for review by Education Task Force Committee.

Condominium Review Committee

Committee Chairman Louis Cannelora reported that revisions have been completed on Section 514-12 and Section 514-16, and that discussion will be open when the entire chapter is completed.

Rules and Regulations Committee

Committee Chairman Ah Kau Young reported that in addition to those rules that are affected by the 1973 amendments to the law, other areas have turned up that will need the attention of the Rules and Regulations Committee. He was authorized to have all Oahu members, plus industry, update these areas. Ah Kau Young further reported that by the next meeting, he will have possible changes for the Commission's discussion.

Attorney General's Report

Deputy Attorney General Ben Matsubara reported on the following recovery fund cases:

Matt Masuoka vs. Floyd Kaneshiro (Civil No. 36272)

James Ogawa vs. Floyd Kaneshiro (Civil No. 36265)

Both civil cases were set for trial, but both settled for \$1,500 a piece. Part of the settlement procedure was to have the remaining \$4,000 (limitation reached) apportioned between Masuoka and Ogawa.

Herbert Isonaga moved and Mary Savio seconded that the Executive Secretary be authorized to make payment of \$4,000 as ordered by the Court to be apportioned between Masuoka and Ogawa. Motion unanimously carried.

Arthur and Wanda Maddigan vs. Viola Dolman, etal (Civil No. 37110)

This case has been settled--no recovery from fund as Dolman had sufficient assets.

Perrin vs. Schrieber (Civil No. 2473)

Judgment against Schrieber for \$2,585 for fraud and misrepresentation was granted by the Court, but there has been no order for payment from the recovery fund as yet. It appears that Schrieber will pay the judgment himself.

Kuugo Iwai vs. Yoshiharu Hirashima

Commission need not intervene as claims against the recovery fund for Yoshiharu Hirashima have been exhausted by the Soma and Osumi cases.

Delan Perry and Parijs vs. General Realty Corp., etal

The Executive Secretary was requested to check if Robert Chow is a licensee--Commission will intervene only if he is a licensee.

Deputy Attorney General Ben Matsubara advised the Commission to hire its own counsel when we must intervene to defend the real estate recovery fund. It was further pointed out that brokers and salesmen should not receive free legal service when the consumer has been damaged or injured financially.

Herbert Isonaga moved and Ah Kau Young seconded that the Commission, on the advice of the Attorney General's Office, employ a private contractor for all real estate cases when we must intervene to defend the recovery fund. Motion carried unanimously. (Chair directed Deputy Attorney General Clyde Sumida to obtain legal advice on this.)

Ben Matsubara announced that he will be leaving the Commission to be employed by Padgett, Greeley, Marumoto and Steiner and introduced Clyde Sumida as his replacement. Ben Matsubara expressed his appreciation for having served on this patient, informative and enjoyable Commission. The Commissioners in turn thanked Ben Matsubara for his admirable service and expressed their best wishes.

Business Out  
of Minutes:

Questionable Applications

John W. Buttrick

Hearing was held during the morning session.

Century 21 Real Estate, Inc.

James Williams, president of Century 21 Real Estate, Inc., appeared before the Commission to persuade the issuance of a brokerage license for the purpose of selling "Century 21" franchise to other licensed brokers. He presented three proposed advertising concepts for the Commission's consideration.

The Commissioners questioned his advertising concepts. Williams then requested that he be given direction as to how he can gear his advertisements to satisfy the Real Estate Commission.

Chair appointed Mary Savio and the Executive Secretary to work on a form for advertising for Century 21, which includes review of signs, calling cards, stationery, etc.

Mary Savio moved and John Texeira seconded that Century 21 Real Estate, Inc. be granted a brokerage license with James Williams as principal broker, and that all their advertising material must be cleared through the Commission prior to public exposure. Motion carried unanimously.

International Equities, Inc. - BR-2

During the discussion on this application, question was raised as to what is the relationship between First Hawaiian Realty and International Equities, Inc.

Herbert Isonaga moved and Mary Savio seconded that ratification be deferred and an investigation be conducted to determine what connection this firm has with First Hawaiian Realty, and that all their future requests for branch office license be also deferred. Motion carried unanimously.

Aaron M. Chaney, Inc. dba "Chaney, Inc."

The Executive Secretary reported that Aaron Chaney, in a letter dated July 6, 1973, acknowledged receipt of the order to cease and desist from using the tradename, "Chaney" in all advertising materials, letterheads, business materials, etc. He now requests authorization to use the name, "Chaney, Inc.", and that he be permitted to use up his \$10,000 worth of advertising material, letterheads, etc. as is ("Chaney").

Herbert Isonaga moved and Hiromu Yamanaka seconded that "Chaney, Inc." be approved as the dba for Aaron M. Chaney, Inc., and that the request to use his present supply stock of advertising materials, letterheads, business materials, etc., without adding, "Inc." be denied. Motion carried without dissent.

Investigations: RE-406 Hawaii Homes

Action again deferred pending court action on recovery claim motion on Cavasso vs. Gary and Carol Tharp.

Bob Mueller Realty

Action deferred pending review by the Attorney General to determine what course of action is open to the Commission.

RE-535 Reed Realty, Inc.

Commission's decision was to proceed with investigation for possible hearing--if so, Ah Kau Young and Herbert Isonaga will be the hearing officers.

Da Mate Case

Investigation could not uncover information on the written document to prove that Da Mate acted as a real estate agent rather than as owner.

Herbert Isonaga moved and Hiromu Yamanaka seconded that this case be dropped and complainant be advised that a thorough investigation was made and that there was no substantial evidence of any violation. Motion carried unanimously.

RE-543 Pearl A. Nagatoshi

The Executive Secretary reported that the hearing notices have been drafted and sent to the Attorney General's Office for approval. (The hearing officers appointed at the last meeting were Hiromu Yamanaka and John Texeira.)

RE-425 Masao Shintani

It was moved by Herbert Isonaga and seconded by John Texeira that this case be dropped as the complainant was not willing to come from the mainland to testify. Motion carried.

Sheldon Soosman

The Executive Secretary requested that the hearing officers be appointed for the proposed hearing on Sheldon Soesman. Chair appointed Ah Kau Young and Louis Cannelora as hearing officers.

Yoshiharu Hirashima

The Executive Secretary reported that he mailed the cease and desist order to Hirashima to the new address given by one of the Commissioners and it was returned "unclaimed".

Herbert Isonaga moved and Ah Kau Young seconded that this case be closed since revocation of license was publicized. Motion carried.



T.V. Commercials on Land Sales

The Executive Secretary reported that he confronted Robert Bekeart, Executive Secretary for subdivision registrations, with the Commission's concern over the representations and statements being made by developers on T.V. commercials concerning sale of subdivided lands. Since these Montana, Alaska and Hawaiian Ocean View Ranchos T.V. commercials are recognized as subdivisions, Bekeart has agreed to make a concerted effort to screen and police their commercials.

New Business: LICENSINGCorporation

Champion Realty of Hawaii, Inc. - 345 Hahani Street, Kailua  
Albert R. Manhan PB

Cen Pac Properties, Inc. - 1150 S. King, Suite 1101, Honolulu  
Jean N. Woltz PB

Kon-Tiki Realty, Inc. - 94-239 Waipahu Depot Street, Waipahu  
Gordon J. Vanderford PB

ICM Realty, Inc. - 2394 Kalakaua, Suite 6, Honolulu  
Herman Y. M. Leong PB

Summit Realty, Inc. - 917 Halekauwila Street, Honolulu  
Raymond Y. B. Yuen PB

Les Reynolds Realty, Inc. - 911 Lehua Avenue, Pearl City  
Lester A. Reynolds PB

Stapleton Associates, Ltd. - 841 Bishop, Suite 2121, Honolulu  
Frances E. Morrison PB

Sunflower Realty, Inc. - 1127 Bethel Street, Suite 2, Honolulu  
Alfredo P. Esteban PB

Wilmay, Inc. - 926 Bethel Street, Honolulu  
William K. M. Chee PB

Dora Takahashi Realty, Inc. - 106-A Kam Avenue, Hilo  
Dora S. Takahashi PB

F.A.C. Realty, Inc. - 33 S. King Street, PH, Honolulu  
Stanley Tobias PB

Michael Ota & Associates, Inc. - 629-A Kailua Road, Kailua  
Michael N. Ota PB

Vivia B. Lee, Realtors, Inc. - Suite 788 Pacific Trade Center, Honolulu  
Vivia B. Lee PB

Real Estators, Ltd. - 1210 Auahi Street, Suite 224, Honolulu  
Barbara F. Dew PB

Jim Moore Realty, Inc. - 2348 Pacific Trade Center, Honolulu  
James A. Moore PB

Mikami Realty, Inc. - 30 Aulike, Suite 101, Kailua  
Tsuyoshi Mikami PB

Question as raised as to whether the principal broker of Wilmay, Inc. is the same William Chee that acts as principal broker for Location, Inc.

Question was also raised as to whether the principal broker of F.A.C. Realty, Inc., Stanley Tobias, had left Read Realty, Inc.

It was noted that the principal broker of James Moore Realty, Inc., James A. Moore, is also listed on the list of DBA's to be considered at this meeting.

Mary Savio moved and Hirmou Yamanaka seconded that except for Wilmay, Inc., F.A.C. Realty, Inc. and Jim Moore Realty, Inc., the Commission approve the licensing processing of the above as tentatively approved by the Executive Secretary; and that the Executive Secretary be granted permission to approve the three exceptions subject to investigation. Motion carried.

#### Branch Office

Tom Pico, Inc. BR-2 - 1392 Kapiolani, Bldg. 1, Room 16, Honolulu  
Richard M. Fox BIC  
Mid Pacific Realty, Inc. BR-1 - 30 Aulike, Suite 502, Kailua  
Catherine J. Hiatt BIC  
International Equities Realty, Inc. BR-3 - 888 Front Street, Lahaina  
Henry Henna BIC

Mary Savio moved and John Texeira seconded that Tom Pico, Inc. and Mid Pacific Realty, Inc. be approved as tentatively approved by the executive secretary and that action be deferred on International Equities Realty, Inc. pending further investigation. Motion carried.

#### DBA

Royal Kaanapali Realty - 888 Front Street, Lahaina  
Joe H. Allison dba  
H.B. Realty - 505 Ward Avenue, Suite 207, Honolulu  
Harold S. Basker dba  
Priscilla Hilt, Realtor - 184 S. Hotel, Suite 506, Honolulu  
Priscilla W. L. Hilt dba  
James Moore Realty - 190 S. King, Room 2348, Honolulu  
James A. Moore dba  
Connie Solarana Realtor - 1650 Kanunu, #803, Honolulu  
Kathleen W. Solarana dba  
Stephen F. Santangelo Realtor - 841 Bishop, #1620-A, Honolulu  
Stephen F. Santangelo dba  
Aiea Realty - 99-128 Aiea Heights, Room 8, Aiea  
David K. Taogoshi dba  
John Bailey Realty - 1670 Kalakaua, #706, Honolulu  
John R. Bailey dba  
BVM Realty - 33 South King, Suite 402, Honolulu  
Andrew Gerakas dba

Ah Kau Young moved and John Texeira seconded that except for James Moore Realty, the tentative approvals granted by the Executive Secretary on the above applications be ratified. Motion carried.

Questionable  
Applications:

Howard C. Geiger (broker examination)

In a letter dated July 10, 1973, Henry Geiger requested a hearing before the Commission with respect to his failure to receive a certificate of completion from John F. Stapleton School of Real Estate. The Executive Secretary explained that Stapleton's school has an examination policy whereby a student must receive a certain score before a completion certificate is issued--Geiger failed to qualify. The Commissioners were in agreement that this was a clear-cut case of policy setup.

Herbert Isonaga moved and John Texeira seconded that Geiger's application for the broker examination be denied for failure to submit a certificate of completion from an accredited real estate school as is required by law, and that he be notified of his hearing rights. Motion carried unanimously.

B. J. Hamrick (salesman license)

The Executive Secretary reported that through a complaint letter he was advised to write to certain companies and departments to substantiate the complainant's claim against Hamrick. He received many derogatory replies against Hamrick.

Herbert Isonaga moved and Hiromu Yamanaka seconded that B. J. Hamrick's salesman application be denied for lack of financial integrity and poor character. Motion unanimously carried.

Glenn Y. Fukuda (broker license)

After a careful review of Glenn Fukuda's application for broker license, the Commission was in agreement that his experience in real estate was equivalent to satisfy the two years' experience requirement and that his application be approved.

David Alan Dawes (broker license)

Upon motion, David Alan Dawes's application for a broker license was approved as having satisfied the two years' experience requirement for broker applicants.

John Stephen Kay (broker license)

It was the Commission's decision that John Stephen Kay's application be approved as having satisfied the two years' experience requirement for broker applicants.

W. P. Sullivan (broker license)

The Executive Secretary reported that W. P. Sullivan has requested a hearing in the matter of denial of his request for a waiver of salesman experience required for real estate broker license.

Herbert Isonaga moved and John Texeira seconded that W. P. Sullivan be granted a hearing as requested. Motion carried unanimously.

Henry M. Fletcher (salesman license)

Henry Fletcher appeared before the Commission on his own accord to explain that his mistake (smuggling of marijuana and false pretense) occurred during his youth and that nothing of this nature has happened since--hopes that this does not hinder his opportunity for a salesman license.

The Executive Secretary informed the Commissioners that he has received certified copies from Fletcher's probation officers attesting that Fletcher is discharged from probation.

John Texeira moved and Hiromu Yamanaka seconded that since Fletcher has paid his debt to society, his application for real estate salesman license be approved. Motion carried unanimously.

Miscellaneous:    1973 Legislation

ACT 112 - This was covered earlier this morning with the Director regarding the consultant contract.

ACT 173 - The Executive Secretary reported that the Governor has approved this Act on May 24, 1973, relating to escrow depositories.

Time Sharing Condominium Sales Plans

Tom Galt appeared before the Commission in behalf of Douglas Prior to discuss a different sales plan in condominium selling, whereby a single condominium unit is broken into time interest (occupancy during certain period of year) and that these time interest would be sold to purchasers as tenants in common.

Tom Galt was advised to have Douglas Prior take this up with Louis Cannelora's Condominium Review Committee as this sales plan cannot be carried out without amending the rules and regulations or statutes.

Policy on Advertisement by Owner/Licensee

The Executive Secretary requested that the Commission establish a policy on advertisements by Owner/Licensee as many questions have been raised as to whether these advertisements adhere to Chapter 20, Section 1.10(a).

Upon motion, the following policy was established by the Commissioners: "All real estate licensees must identify the broker's name or firm's name and the salesman's name in advertising sale of his own property and specify that he is a salesman--the term 'for sale by owner' or the word 'owner' must be omitted."

Policy on Taking Reservations for Condominium Units

The Executive Secretary requested a clear understanding regarding condominium reservations and signs declaring a condominium.

It was confirmed during the discussion that the developer may take an indication of interest (name and address only), provided that, there is no solicitation, no advertisements, no deposits taken, no contracts executed, no agency agreements entered into, and only if the developer is confronted by consumer. The developer shall not intice consumer to buy.

Commissioners were in agreement that the developers cannot place a sign advertising the condominium project or the developer's and selling agent's name. Contractor's name, architect's name and the name of the financial institution is permissible.

1973 NARELLO Western District Conference Report

Copies of the memorandum on the 1973 NARELLO District Conference report prepared by the Chairman and Vice Chairman for the Governor were distributed. They gave a brief report of how they acquired valuable information and contacts from the other states, and what their aims and objectives are for the Commission for the fiscal year July 1973 through June 1974.

Chairman Sodetani announced that plans will be made to have the 1975 NARELLO District Conference here in Honolulu, and that Mary Savio was elected vice president who will chair all the meetings of the Western District and will also be automatically vice president of the National.

Commission's Publication

Mary Savio gave a report on the services Pacific Business News can render and the cost for a news release to be issued three times a year.

Hironu Yamanaka moved and Herbert Isonaga seconded that the Commission undertake the project of having a news release published three times a year. Motion carried.

The Executive Secretary was directed to ask Deputy Attorney General Clyde Sumida to start on a contract with Pacific Business News for \$1,200 - \$1,500 per issue--the cost to be borne from the Education Fund.

Correspondence: Robert W. Lloyd's Letter re: Lack of Broker Training Courses Accessibility to Neighbor Island Realtors

Copy of this letter to be forwarded to the Hawaii Association of Real Estate Schools for review of his suggestions.

Douglas Prior's Letter re: Bond Form for Condominium Project

This matter was referred to the Attorney General's Office and to the Condominium Review Committee for review.

Announcement: Fees for Copies of Laws and Rules

The Executive Secretary reported that the Director of Regulatory Agencies, pursuant to Section 91-5, H.R.S., has established a fee schedule of charges for copies of statutes and rules and regulations. Said fee schedule became effective June 29, 1973.

Administration's Thinking re: 2-year licenses

The Commissioners voiced complete agreement with Administration's idea of issuing 2-year licenses, and they were in favor of having staggered renewal periods for the Contractors License Board and the Real Estate Commission.

Date of

Next Meeting: Thursday, August 30, 1973, at 9 a.m.

Adjournment:

There being no further business, Chairman Sodetani adjourned the meeting at 5:10 p.m.

Taken and recorded by

Peggy-Lau  
Peggy Lau, Stenographer

Approved by

Yukio Higuchi  
Yukio Higuchi  
Executive Secretary

8/20/73