

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

MINUTES OF MEETING

Date: Thursday, March 27, 1975

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

Present: Douglas R. Sodetani, Chairman  
Herbert S. Isonaga, Vice Chairman  
Mrs. Mary V. Savio, Member  
Tadayoshi Ishizu, Member  
John D. Texeira, Member  
John M. Urner, Member  
Ah Kau Young, Member

Clyde E. Sumida, Deputy Attorney General  
Yukio Higuchi, Executive Secretary  
Yukio Onaka, Investigator

George "Red" Morris, Executive Vice President of Hawaii Assn.  
of Realtors  
Milton Motooka, President of Hawaii Assn. of Real Estate Schools  
John Stapleton, John Stapleton School of Real Estate  
John Reilly, John Stapleton School of Real Estate  
Mrs. Mary Shern, Mary Shern School of Real Estate

Call to Order: There being a quorum, Chairman Sodetani called the meeting to order at 9:05 a.m.

Minutes: Ah Kau Young moved and Tadayoshi Ishizu seconded to approve the minutes of the February 27, 1975 meeting as circulated. Motion unanimously carried.

Continuation of Hearing: Douglas C. K. Tom, Applicant for Real Estate Salesman's License  
Executive Secretary recommended that continuation of a May 1974 formal hearing on Douglas C. K. Tom be postponed to the next meeting date, inasmuch as, Tom had not received service of the notice of continuation of hearing. John Texeira moved and Ah Kau Young seconded to postpone the continuation of hearing on Douglas C. K. Tom to the next meeting date. Motion unanimously carried.

Committee Reports: Real Estate Educational Advisory Council  
Evaluation of Real Estate Schools  
Executive Secretary reported that Investigator Mike Machado will submit his school evaluation report for the April 1975 exam period after the exam results are announced. It was

further reported that staff will continue to inspect the schools during each exam period, and the inspection for the August 1975 exam period will be conducted by Investigator George Arine.

Mary Shern's Experimental Home-Study Prelicensing Course

Mrs. Mary Shern appeared before the Commission to relate her experience with her experimental home-study prelicensing course. She requested the Commission to grant her approval to allow her to continue her course for the August 1975 examination. Herbert Isonaga moved and Ah Kau Young seconded to approve her request for approval to continue her experimental home-study prelicensing course for the August 1975 examination. Motion carried.

Elroy Osorio's Request to Teach Both the Brokers and Salesmen Courses Concurrently

Herbert Isonaga moved and John Texeira seconded to deny Elroy Osorio's request to teach both the brokers and salesmen courses concurrently, inasmuch as, there are other brokers courses presently available on the island of Hawaii. Motion carried.

Small Business Management Program's Invoice for Six "Writing Successful Contracts" Seminars

Herbert Isonaga moved and Tadayoshi Ishizu seconded to authorize staff to pay the sum of \$4,313.25 from the Real Estate Education Fund to S. B. M. P. for conducting six "Writing Successful Contracts" seminar throughout the State. Motion carried.

Book Donations

Executive Secretary reported that purchase orders to purchase the books have been forwarded to the State Library System and the University of Hawaii Library.

Education Consultant

Mrs. Mary Savio reported that she had been approached by Ronald G. Li, who is interested in applying for the Education Consultant's position, and she was given his resume. The Executive Secretary was directed to mail a copy of Li's resume to all members.

Continuing Education (S. B. M. P.)

Executive Secretary had no progress report to make on this project.

Real Estate Chair

Executive Secretary had no progress report to make on this project.

Purchase of Film "On The Move"

Executive Secretary had no progress report to make on this project.

Condominium Review Committee

Committee Chairman John Urner reported that the Commission's condominium bills on management problems (S.B. No. 875 and H.B. No. 1875) and its house cleaning bills (S.B. No. 1279 and H.B. No. 1755) are moving along nicely. He further reported that the time-sharing bills (S.B. No. 1597 and H.B. No. 1766) will not be pushed this session, but House Resolution No. 694 has been submitted by the Hawaii Association of Realtors that requests the Commission study the time-sharing matter and report back to the 9th State Legislature. John Urner stated that his committee will comply with the resolution.

Legislation Committee

Licensing Law

S.B. No. 313 and H.B. No. 429

Executive Secretary reported that these bills appears to be moving along without any real opposition and it looks like one will be passed.

S.R. No. 166

Executive Secretary was directed to mail copy of this Resolution to all members.

Condominium Law

S.B. Nos. 875 and 1673, and H.B. Nos. 1757 and 1875

(See Condominium Review Committee Report)

S.B. No. 1279 and H.B. No. 1755

(See Condominium Review Committee Report)

S.B. No. 1597 and H.B. No. 1766

(See Condominium Review Committee Report)

H.R. No. 694

Executive Secretary was directed to mail copy of this Resolution to all members.

Real Estate Recovery Fund

Takano vs. Goo (Civil No. 41848)

By letter dated February 21, 1975, Sidney Ayabe, the Commission's private counsel, had advised the Commission that his firm is representing Harry Yamamoto, who is one of the defendants in this case. To avoid conflict of interest, he recommends that the Commission retain Benjamin Matsubara as their counsel in this case. Herbert Isonaga moved and John Texeira seconded that the Commission request Administration to allow retaining Benjamin Matsubara as the Commission's counsel in this case. Motion carried.

Clyde Sumida advised the Commission that a similar contract to the one entered into with Sidney Ayabe be executed with Matsubara.

Attorney General's Report

RE-553 Bernice Midkiff

Clyde Sumida reported that he feels that this is a good case to proceed against respondent for unethical conduct. He will need further information, and he will submit a list of items he wants looked into. He advised the Commission that if at all possible, the hearing should be held in Honolulu, because the respondent is the only one residing on Kauai. By unanimous consent, it was decided to schedule the hearing in Honolulu. The hearing officers for this hearing are Douglas Sodehani and Herbert Isonaga.

RE-571 Benjamin Ayson

Clyde Sumida reported that he needs further information before proceeding with this hearing. He wants to check with plaintiff's attorney to determine plaintiff's health condition. He felt that we should consider her health condition before we subpoena her to testify at a hearing. He will report back after checking with plaintiff's attorney.

Time-Sharing Condominium

Clyde Sumida reported that he has reviewed the filing on Hanalei Beach and Racquet Club Apartments, and he feels that this project which contains time-sharing aspect should be registered by the Commission.

He recommended that the Commission disclose in the public report the effect a deceased time-owner's personal liabilities would have regarding liens against the remaining interest owners' of the specific condominium unit. He felt that it would be a good practice to require all developers to issue a copy of the Declaration and By-Laws of the Association of Apartment Owners to purchasers together with the public report.

Clyde Sumida suggested that the Commission make a complete review of Chapter 514, H.R.S., and the rules promulgated thereto, inasmuch as, the existing practice has changed considerably since the enactment of the Horizontal Property Regime Act.

Business Out  
of Minutes:

Questionable Applications

Robert W. Hall, Restoration of Salesman License

Executive Secretary reported that the hearing officers' report on the formal hearing conducted on Robert W. Hall has been completed, and a copy of the report will be forwarded to Robert W. Hall with notice that he has fifteen (15) days to file his exceptions before the Commission takes action.

Calvin W. Ontai, Applicant for Broker License

Executive Secretary reported that files on Calvin W. Ontai has been returned by Clyde Sumida, and it will be forwarded to the Director with the Commission's request for a hearing before a hearing officer appointed by the Director.

Ignatius P. Taafausau, Applicant for Salesman License

Executive Secretary reported that he has received a letter from Joan Von, who was the broker of Ignatius P. Taafausau when his application for salesman license was filed with his employing broker. Joan Von confirmed that she was responsible for failing to file Taafausau's application due to her being taken ill and her subsequent resignation from the firm. Ah Kau Young moved and John Texeira seconded to grant Ignatius P. Taafausau a salesman license subject to his completion of all requirements. Motion carried.

William F. Gleason, Applicant for Salesman License

In response to the Commission's letter of denial of his application for a salesman license, Gleason had demanded for a hearing before the Commission. The Executive Secretary was directed by Chairman Sodetani to determine whether Gleason wanted a formal or informal hearing. If the request is for an informal hearing, he shall be scheduled to appear at the next meeting. Should the request be for a formal hearing, he shall be scheduled to be heard at the same time as Calvin W. Ontai's hearing before the hearing officer appointed by the Director.

NARELLO Western District Enforcement Conference

Executive Secretary reported that, since he had received no further word regarding the dates for the Enforcement Conference, he has written to George Oakes of the Washington Real Estate Commission for the information, but, up to this date, no word has been received.

E.T.S. Examination Advisory Committee Meeting

Executive Secretary reported that, since no word has been received as to the dates for the E.T.S. meeting, he has written to request the dates from E.T.S., but, up to this date, there has been no response.

While on the subject of E.T.S., the matter of E.T.S.'s policy to disallow calculators at examinations was discussed. After considerable discussion, Mary Savio moved and John Urner seconded that E.T.S. be put on written notice that the Hawaii Real Estate Commission is strongly in favor of allowing the use of noiseless battery-operated calculators by the examinees on the real estate examinations, and that it intends to forcefully pursue the implementation of this policy change. Motion unanimously carried.

Mary Savio was asked to present the Commission's feelings on this subject at the E.T.S. meeting.

Investigations:      RE-518 Singleton Associates

Executive Secretary was directed to schedule the continuation of hearing on this case for sometime in April 1975.

RE-528 Durrel Robison

Executive Secretary was directed to schedule the continuation of hearing on this case for sometime in April 1975.

RE-547 Durrel Robison

John Texeira reported that he has the file on this case and he will prepare the hearing report.

RE-553 Bernice Midkiff

(See Attorney General's Report)

RE-571 Benjamin E. Ayson

(See Attorney General's Report)

RE-574A Joyce W. tt

(This matter is in the hands of                      orney General)

RE-574B Wallace Sanger

(This matter is in the hands of the Attorney General)

RE-565 Read Realty, Inc.

(This matter is in the hands of the Attorney General)

RE-582 Albert Kanahele

Executive Secretary reported that his draft of hearing notice has been prepared and being forwarded to the Attorney General for review.

RE-594 Honolulu Realty, Inc.

Executive Secretary was directed to have Investigator interview the principal broker of Sventenko to determine whether he (broker) is aware of what Sventenko has done.

RE-507 Reliance Realty

Executive Secretary was asked to have Attorney General review this case for possible hearing. This matter is to be reported back at the next meeting.

RE-567 Island Realty

Herbert Isonaga moved and Mrs. Mary Savio seconded that there was no violation, inasmuch as, respondent had advised complainant that the taxes would vary. Motion carried.

RE-578 Maunakea Realty

Herbert Isonaga moved and John Urner seconded to dismiss the complaint on the basis that no violation was found. Motion carried.

RE-586 Honofed Corp. (Harbor Lights Condominium)

Herbert Isonaga moved and John Texeira seconded to have Aubra Grice of Honofed Corp. meet with the Executive Secretary to discuss a settlement, on the basis of a possible violation of Section 514-45, H.R.S. The Commission felt that the statement, "quiet privacy is provided by extra layers of soundproof materials between apartments and in hallways, over and above the regular standard construction," was misleading. The Commission further felt that developer failed to comply with Rule 9, of the Commission's rules pertaining to Horizontal Property Regime. Motion carried.

RE-591 Oceanview Ventures

Herbert Isonaga moved and Texeira seconded to defer action on this case and the other six (6) complaints, because these reports were new and the Attorneys did not have adequate time to study the reports. Motion carried.

RE-592 Iris Riber

Action deferred.

RE-593 Jerry A. Y. Ching

Action deferred.

RE-595 Empire Properties International

Action deferred.

RE-596 Harold S. Basker dba H. B. Realty

Action deferred.

RE-597 Spencer and Dorothy Battle

Action deferred.

RE-600 Ernie L. Forde

Action deferred.

New Business:

Licensing

CORPORATIONS:

- Prudential Properties, Inc. - 1860 Ala Moana Blvd., Suite 402-A,  
Bruce J. Hansen-PB Honolulu
- Broker Associates Realty, Inc. - 1860 Ala Moana Blvd., Suite 1810,  
Dennis M. Grady-PB Honolulu
- Max Realty, Inc. - 37A Moanalua Shopping Center, Box 6427,  
Max W. Kroll-PB Honolulu

Ah Kau Young moved and Tadayoshi Ishizu seconded to approve the above applications for corporate licenses. Motion carried.

BRANCH OFFICES:

- Howard M. K. Kim BR-1 - 2335 Kalakaua Ave., Honolulu  
Lyle C. Anderson-BIC
- Howard M. K. Kim BR-2 - 2330 Kuhio Ave., Honolulu  
Kenneth B. Myers-BIC
- Kenny Young Realtor BR-2 - North Kona Shopping Center, Palani &  
William K. Childs-BIC Kuakini Sts., Kailua-Kona
- Pacific Islands Management Ltd. BR-1 - 53-567 Kam Hwy., Hauula  
Jack E. Chaffee-BIC

Ah Kau Young moved and Herbert Isonaga seconded to approve the above applications for branch offices. Motion carried.

DBA's:

- Rafael Acoba Realty - 1969 Wells Street, Wailuku, Maui  
Rafael Acoba-dba
- Don Lewis - 1232 Waimanu Street, Honolulu  
Donald A. Lewis-dba
- E. S. Sales Sr. Realty & Co. - 1197 River Street, Honolulu  
Emmanuel S. Sales, Sr.-dba
- Leticia Query, Realty - 76 Kailua Road, #6, Kailua  
Leticia A. Query-dba



Sun Land Sea Realty - 307 Lewers St., Suite 501, Honolulu  
 Nathan S. Morita-dba  
 Ruggles Realty - 1600 Kapiolani Blvd., #1028, Honolulu  
 Jack R. Ruggles-dba  
 Will NeSmith - 1152 Bishop Bldg., #800, Honolulu  
 Willie R. NeSmith-dba  
 Bennye Wix R. E. Broker - Box 106, Golf Course Rd., Hawaii  
 Bennye Wix-dba National Park

Ah Kau Young moved and Herbert Isonaga seconded to approve the above applications for dba, with the exception of Don Lewis and E.S. Sales Sr. Realty & Co. Motion carried.

Ah Kau Young moved and Herbert Isonaga seconded that the applications of Don Lewis and E. S. Sales Sr. Realty & Co. be approved by the Executive Secretary, subject to applicants satisfying the zoning use. Motion carried.

Miscellaneous:

Hawaii Association of Real Estate Schools

Milton Motooka and John Stapleton appeared to discuss the matter of John Kramer's letter of March 14, 1975, regarding E.T.S.'s investigation into Stapleton's efforts to reconstruct E.T.S.'s examination questions. Stapleton advised the Commission that he is personally taking the position that he cannot comply with Kramer's request for all his examination questions.

However, he qualified his statement by advising the Commission that he would comply with Kramer's request only if the Commission directs him to do so. Stapleton requested that the Commission have the Attorney General review the Commission's pledge required of all certified instructors for constitutionality. The Executive Secretary was directed to follow through with Stapleton's request.

T. V. Commercial Personalities

Executive Secretary requested a declaratory ruling from the Commission in answer to whether or not an unlicensed T. V. personality can make the presentation of T. V. commercials for the sales agent of condominiums and land sales. Herbert Isonaga moved and Mrs. Mary Savio seconded that this question be referred to the Attorney General for an opinion. Motion carried.

Correspondence:

Jerry Asam's Letter Regarding Cash Rebates

John Texeira moved and Mrs. Mary Savio seconded that Asam's request for approval to grant cash rebates to purchasers be denied on the grounds that said practice is contrary to the law which prohibits the splitting of commission with an unlicensed person. Motion carried. It was suggested that Asam could just reduce the sales price if he desire.

Dr. James Kumagai's Letter Regarding Condominium Reports

Dr. Kumagai, of the State Department of Health, had written to propose that the Commission use a specific language in its

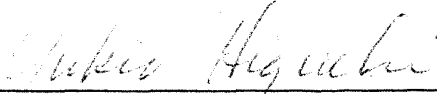
public report when disclosing that the project will be serviced by a private sewage treatment system. Herbert Isonaga moved and John Urner seconded that all condominium consultants be advised to follow the proposed language of Dr. Kumagai. Motion carried.

Announcements: None

Next Meeting  
Date: Thursday, April 24, 1975, at 9:00 a.m.

Adjournment: There being no further business, Chairman Sodegami declared the meeting adjourned at 3:30 p.m.

Taken and recorded by:

  
\_\_\_\_\_  
YUKIO HIGUCHI, Executive Secretary

YH/kh  
4/9/75