

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

MINUTES OF MEETING

Date: Thursday, December 6, 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

Leighton Oshima, Deputy Attorney General  
Dick H. Okaji, Licensing Administrator  
Mrs. Lydia Pai, Examination Branch Supervisor  
Yukio Higuchi, Executive Secretary  
Mrs. Peggy Lau, Stenographer

George Morris, Jr., Honolulu Board of Realtors  
Keith Marshall Lysen, Applicant for Broker Examination  
Lorrin K. W. Ching, Applicant for Broker License  
Arthur Fong, Attorney Representing Lorrin Ching  
Douglas Prior, Richard Hicks, Steven Santangelo--Time Sharing  
John Stapleton, John Riley, Milton Motooka, Paige Vitousek,  
Marshall Goldman--Real Estate Schools Association of Hawaii

Call to Order: There being a quorum, Chairman Sodetani called the meeting to order at 9:04 a.m.

Minutes: Ah Kau Young moved and John Texeira seconded that the minutes of the October 25, 1973 meeting be approved as circulated. Motion carried.

Announcement: Chair announced that Louis Cannelora has submitted his resignation to the Governor effective November 30, 1973. Chair has written Louis Cannelora on behalf of the Commissioners to express their regrets and that his services will be missed.

Informal Conference: Keith Marshall Lysen--Applicant for Broker Examination  
The Executive Secretary briefly explained that Keith Lysen's application for broker examination was rejected as he qualified for only 14 months of credit out of the required 24 months of experience.

Lysen had requested this conference with the Commission to show cause why he should be granted a full waiver to enable him to sit for the broker examination.

After Lysen had an opportunity to state his case and prior to dismissal of the conference, Lysen was advised that this matter would be taken under advisement and he would be advised of the Commission's decision shortly thereafter.

Herbert Isonaga moved and John Texeira seconded that the Commission reaffirm staff's decision and deny granting Keith Lysen the full two years waiver--application denied. Motion carried.

Lorrin K. W. Ching--Applicant for Broker License

Lorrin Ching appeared before the Commission with his attorney, Arthur Fong, to request that he be issued a broker license. It is their belief that Ching has satisfied the requirements for broker license. Arthur Fong gave the background of Ching's real estate experience in depth, and after considerable discussion, Chairman Sodetani informed them that this matter would be taken under advisement.

It was the unanimous decision of the Commissioners that the Executive Secretary recompute Ching's qualifications on the basis of Fong's presentation and advise Ching of the recomputation.

Committee Reports:

Real Estate Education Advisory Council

Committee Chairman Mary Savio reported that she met with the Executive Secretary to review applications for instructors certification and other matters related to the Commission's real estate educational program. The following matters were reviewed and their recommendations follow:

Approval of Broker Course  
Komori Real Estate Schools

Grant approval subject to clarification of a discrepancy in "School Bulletin".

Certification of Instructors

Thomas C. Hajny (Komori Real Estate Schools)  
Deny for failure to meet the basic requirements.

Frank Newhall (Mike McCormack School of Real Estate)  
Grant approval upon receipt of ethical statement and passing special examination.

Lois E. Hunter (Mike McCormack School of Real Estate)  
Grant approval upon receipt of ethical statement and  
passing special examination.

Milton M. Motooka (Kinji Kanazawa Real Estate School)  
Grant approval.

John E. Wilson, III (John Buttrick School of Real Estate)  
Grant approval.

Approval of Guest Instructor

George T. Younggren (Kinji Kanazawa Real Estate School)  
Grant approval as guest instructor to teach mathematics.

Approval of School's Name Change

Stark Schools, Inc. (formerly--Cliff Stark School of  
Real Estate)  
Grant approval subject to receipt of certified copy of  
Articles of Incorporation.

Mary Savio moved and Herbert Isonaga seconded that the Commission ratify the recommendations of the Real Estate Advisory Council. Motion carried unanimously.

Real Estate Newsletter

After Mary Savio's progress report on the real estate newsletter, the Commissioners consented to start with two publications a year and that the contents of the newsletter be edited by the Real Estate Advisory Council--no individual on the Council shall be personally or collectively responsible for material in the newsletter. The Commission's goal is to have a newsletter published by June, 1974.

Members of the Council under consideration are: Beverly Muir, Connie Solorana, Wesley Park (U of H), four Oahu Commissioners, Dottie Lindley (Honolulu Board of Realtors), Albert Feirer (D.O.E.), Bruce Haas (School Association). Chair directed Mary Savio to select and inform the members of the Council that they are serving only in an advisory capacity and that the Commission has the final say.

Establishment of Mechanics for Collection of Accreditation and Certification Fees

As was authorized by the 1973 State Legislation, the Commission will enforce collection of the initial accreditation and certification fees that were due and payable on July 1, 1973 from the schools and its instructors. The renewal fee will be due and payable on or before July 1, 1974.

The Commissioners clarified Chapter 467-25.5(4) as follows: "Each course refers to the salesman and broker course and not to the number of branch schools."

The Executive Secretary was directed to start preparing the necessary application forms to give the schools and instructors adequate notice in which to submit the fees.

Condominium Review Committee

Time Sharing

Douglas Prior, Richard Hicks and Steven Santangelo were present to find out whether the Commission would ratify the consensus guideline approved by the Oahu members. Herbert Isonaga gave a brief report of the special meeting to approve the guidelines. He warned that the guidelines will go through changes as more experience is gained.

After a short discussion, Herbert Isonaga moved and Ah Kau Young seconded that the Commission adopt the guidelines. Motion carried without dissent.

Proposed Legislation

The Executive Secretary was directed to contact Louis Cannelora immediately to remind him that the Commission is awaiting his legislative proposals with statements of justifications.

Syndications and Uniform Limited Partnership Act

Mary Savio reported that she has worked with James Boyle on a bill of rights for syndications and Boyle has recommended that the Commission make no revisions to the Uniform Limited Partnership Act until I.R.S. acts on their Limited Partnership Act.

Chair ruled that the Commission stay silent on this matter for now.

Rules and Regulations Committee

Committee Chairman Ah kau Young reported that his Committee has completed the proposed draft and it is just a matter of typing, refining and submitting to the Commission for review.

George Morris, Jr., of the Honolulu Board of Realtors, has consented to have his office type up the draft before the next Commission meeting.

Recovery Fund Report

The Executive Secretary reported that two more complaints have been received (one against Donald Sandborn and the other

against Sol Laikind), which may result in claims against the recovery fund.

Attorney General's Report

Deputy Attorney General Leighton Oshima reported that Clyde Sumida has prepared the legislative proposal to amend the law to add a provision empowering the Commission to directly hire counsel to defend the Real Estate Recovery Fund. This will be introduced as an Administrative Bill.

In regards to the newsletter, Leighton Oshima reported that the procedures would depend on annual cost. If \$4,000-\$8,000 per year, the Commission under its own authority can contract the services without bidding procedures; if over \$8,000, the Commission must go through informal biddings.

The Deputy Attorney General informed the Commission that since the \$20,000 limit on Yoshiharu Hirashima has been paid in full, Clyde Sumida will advise the courts in the matter of Iwai vs. Hirashima of the statutory ceiling on the fund.

In the matter of Mau, Ho, etal vs. Real Estate Commission, Leighton Oshima advised that the case was dismissed with prejudice.

Business Out  
of Minutes:

Questionable Applications

Douglas Chew Kum Tom--Applicant for Salesman License

The Commission has set January 10, 1974 as the date for Tom's prehearing.

B. J. Hamrick--Applicant for Salesman License

The Commission's decision was that B. J. Hamrick's pre-hearing be held on January 10, 1974.

Audience:

Real Estate Schools Association of Hawaii

The representative of the Real Estate Schools Association of Hawaii commented on the last examination. The comments they expressed pretty much followed those made after the July, 1973 examination. Their main concern was the broker examination --they felt that many just did not deserve a broker license and have fiduciary relationships with clients.

The possibility of changing testing services and raising passing scores were discussed considerably.

Chair directed the Licensing Administrator to look over the past examinations on the statutory section and to express to

ETS how dissatisfied the Commission is with their services; and to inform ETS to make changes forthwith or the Commission will definitely go to another testing service.

The representatives agreed to work up and submit guidelines on advertising for the schools to adhere to.

Chair express appreciation to the representatives for their kokua.

Investigations: RE-543 Pearl A. Nagatoshi

Upon receipt of four certified copies of the court's order and judgment against Pearl Nagatoshi from the Island Investigator, the Commission will set her hearing date.

Sheldon Soosman

Since an independent investigation must be made on Sheldon Soosman, the Executive Secretary was directed to have the Investigation Branch work closely with Clyde Sumida to determine what kind of material is needed for the hearing.

RE-505 Read Realty, Inc.

Complaint Review Committee Chairman Herbert Isonaga moved that a strong letter of reprimand be sent to James Dahlberg for violating the provision of Rule 1.10(a) of the Commission's rules, in that he had advertised the sale of his property without disclosing the broker's name; Dahlberg be warned that any future violation similar in nature will result in the Commission taking stronger action which may result in revocation or suspension of his license; and that a copy of this letter be placed in his license file. Hiromu Yamanaka seconded the motion and it was carried unanimously.

RE-507 Reliance Realty & Management

The Commission's decision was to defer action pending a supplementary investigation to determine whether any condominium unit has been converted into 2 housekeeping units.

RE-515 Roy Nakamoto

John Texeira moved and Ah Kau Young seconded that this complaint be dismissed on the grounds that there is no evidence that Roy Nakamoto had any knowledge of the sewer defect until after the sale was finalized; and as there is no substance to the allegations made by complainant. Motion carried.

RE-517 Charles Fernandez, Jr.

After considerable discussion, John Texeira moved and Ah Kau Young seconded that the Commission accept the Complaint Review

Committee Chairman's recommendation in that Charles Fernandez be advised that his action of accepting an offer direct from purchaser when he knew that the purchaser was a client of Bartholomew is highly unethical and contrary to the spirit of Rule 1.3(a) of the Commission's rules; and that Fernandez be warned that future conduct of similar nature may result in the Commission taking stronger action. Motion carried.

RE-518 Singleton Associates, Inc.

After review of the complaint, the Commission was in agreement that the charges against Singleton Associates, Inc. are serious enough to go for a formal hearing for violation of Section 467-14(2) and (3), H.R.S., in that Cay and James Singleton misled the complainant to believe that he would receive a full refund of his deposit money should he fail to get financing.

Hearing officers appointed by Chair are John Texeira and Hiromu Yamanaka or his replacement.

RE-523 Donald E. Sandborn

There was no evidence of any misrepresentation, but to prevent any reoccurrence of this problem, John Texeira moved and Ah Kau Young seconded that the Commission advise Pyramid Properties, Inc., U. S. Leisure Time Corporation, and Exeter Equities, that the "run-a-round" given to respondent by them and/or their representatives and the delay in effecting action on respondent's request will not be tolerated in the future. Copies of letters and investigation report to be forwarded to Robt Bekeart for his information. Motion carried without dissent.

RE-526 Werner G. Ehrensberger

Upon motion, this complaint was dismissed as it appears that this is a civil matter which should be resolved in the courts. John Texeira refrained from taking part in the discussion and voting.

RE-528 Durrel Robison

Action deferred per<sup>d</sup> further study.

RE-537 Pink Realty

John Texeira moved and Ah Kau Young seconded that the Commission proceed with a hearing on this complaint for violation of Section 7-14(4), H.R.S., in that Pink Realty had made misrepresentation the newspaper advertisement which misled the respondents to believe that they could realize rental of \$1,000 a month for the property. Motion carried.

Mary Savio and Ah Kau Young were appointed by the Chair as hearing officers.

RE-539 Aina Kuponu Realty, Inc.

Commissioners were in agreement to dismiss this complaint as no valid violation was uncovered by the investigation.

RE-541 Gloria Atha

After some discussion, John Texeira moved and Hiromu Yamanaka seconded that Gloria Atha be reprimanded for not advising the the purchasers in writing that interest payments would commence as of date of possession of key to the premise, and for failing to execute a rental agreement to cover the period prior to closing. Motion carried unanimously.

RE-544 Lynn Nakkim

John Texeira moved and Ah Kau Young seconded that Lynn Nakkim and her principal broker, Vi Dolman, be directed to appear before the Commission for an informal conference as it was found that Nakkim was engaged in unlicensed activities during 1972. Motion carried.

RE-547 Durrel Robison

The Executive Secretary reported that Durrel Robison has made a written request that the Commission rescind its letter of reprimand for improper advertising.

After taking into consideration the information presented in his letter, the Commissioners unanimously reaffirmed its earlier decision of September 27, 1973. The Executive Secretary was directed to advise Robison that in the event he desires to pursue this further, the Commission will entertain his request for a formal hearing in Honolulu.

RE-559 Survey of Real Estate Offices Offering Free Dinners in Connection with Land Sales

Of the six real estate offices that were surveyed, the Commission questioned the operation of Mitsuyuki Kido, Broker. It was the Commissioners' decision that Kido be advised to comply with the following within two weeks:

- (1) designate his principal place of business as 33 South King Street, if he cannot spend most of his time at 2379 Kuhio Avenue to supervise the activities there;
- (2) obtain branch office licenses for Cinerama Reef and Outrigger Hotels;



- (3) remove the name GAC Properties, Inc. from yellow pages listing under "Real Estate", and
- (4) cease the activities of two unlicensed supervisors at both hotels.

Con-104 Mike McCormack Realty, Inc.

John Texeira moved and Ah Kau Young seconded that this case be dismissed as there was no contractual agreement and serious steps were made by the developer to rectify the problem. Motion carried.

New Business: Licensing

CORPORATION

Bermar Realty, Inc. - 333 Uluniu, #202A, Kailua  
Ramon E. Gill, PB

V.I.P. Investments, Inc. - 4211 Waiialae, Room 208, Honolulu  
John E. Kobayashi, PB

Personal Realty, Ltd. - 920-2 Kilani Avenue, Wahiawa  
Stephen Marn, PB

Ariki Realty Corporation - 190 Keawe Street, Suite 21, Hilo  
Owen H. Ariki, PB

Heritage Investors, Inc. - 735 Bishop Street, Suite 406, Hon.  
Francis A. Wong, PB

Francis A. Wong & Associates, Inc. - Pearl City Shopping Center  
William J. Penhart, PB

The Terra Firma Corp. - 745 Fort Street, Suite 606, Honolulu  
Henry H. Hieda, PB

The Stanton Corporation - 841 Bishop Street, Suite 925, Hon.  
Stanley S. Stanton, PB

Ayers and Friedlander, Inc. - 190 S. King, #1866, Honolulu  
Andrew D. Friedlander, PB

D. Y. Wong, Inc. - 735 Bishop Street, Suite 406, Honolulu  
David Y. Wong, PB

GCI-Hawaii, Inc. - 2222 Kalakaua, Suite 1315, Honolulu  
Merwyn A. Bogue, PB

Arrow Realty, Inc. - 1411 Kapiolani, Suite 3, Honolulu  
Charles E. Zimmer, PB

The Kalia, Ir 425 Ena Road, Honolulu  
Virgini orton, PB

Executive Ho Hawaii, Inc. - 33 Q Suite 610, Hon.  
Charl s S. C. Young, PB

United Farm Agency Incorporated - 116 S. King, Room 517, Hon.  
Victoria H. O. Chee, PB

Towa of Hawaii, Inc. - 1037 Fort Street Mall, Suite 206, Hon.  
Karen N. Shimbo, PB

Hawaii Resort Land Investment Corp. - 2379 Kuhio Avenue, Hon.  
Barbara L. Hunter, PB

Pre-Builder Land Corporation - Kamuela Hwy., Waimea, Kilauea, Kauai  
Felipe G. Pomar, PB

Rudolph Corporation dba Big Sky Realty - 686 Ahua St., Honolulu  
 Harriet S. Guse, PB  
 North Shore Realty, Inc. - 66-079 Kam Hwy., Haleiwa  
 Alice D. Jurgensen, PB

CORPORATION - NAME CHANGE

Diversified Sales, Inc. -- formerly, Diversified Syndications, Inc.

BRANCH OFFICE

Shoma Hotta Real Estate Broker, BR-1 - 3145 Castle St., Honolulu  
 Charles Y. Kuwaye, BIC  
 John Wilson Enterprises, Ltd. dba Pali Kai Realtors, BR-1, 888 Front  
 John E. Wilson, III, BIC Street, Lahaina, Maui  
 Real Estate One Corporation, BR-3 - 91-2058 Ft. Weaver Road, Ewa  
 Nadine Bartholomew, BIC  
 Herbert K. Horita Realty, Inc., BR-1 - 98-020 Kam Hwy., Aiea  
 Robert H. Sekiya, BIC

DBA

Iris Riber Realty - 745 Fort Street, Suite 1914, Honolulu  
 Iris Riber, dba  
 MGM Properties - 1376 Kapiolani, Suite 202, Honolulu  
 Michael M. Kinoshita, dba  
 Fred Chee Realty - 4747 Kilauea, Suite 209, Honolulu  
 Frederick K. O. Chee, dba  
 Arrow Realty - 2074C Young Street, Honolulu  
 Charles E. Zimmer, dba  
 Bob Silverman & Associates - 841 Bishop, Room 1620A, Honolulu  
 Robert A. Silverman, dba  
 Esposito & Associates - 1210 Queen, Room 11, Honolulu  
 Clarence M. Esposito, dba  
 Burt Thompson Realtors - 745 Fort St., Suite 2118, Honolulu  
 Burt A. Thompson, dba  
 EYW Chun - 1127 11th Avenue, Room 205, Honolulu  
 Edwin Y. W. Chun, dba  
 M.P. Cabral, Realtor - 2003 Kalia, Suite 8D, Honolulu  
 Manuel P. Cabral, dba  
 Five-O Realty - 1270 Queen Emma, Honolulu  
 Manuel P. Cabral, dba

Upon motion, the Commission approved the licensing processing of the above as tentatively approved by the Executive Secretary.

Questionable Applications

C. M. Poulton--Applicant for Salesman License

C. M. Poulton has requested to be employed under the brokerage firm of McLaren Corporation of Honolulu, Hawaii--Poulton resides in Kailua-Kona.

Following the discussion, Ah Kau Young moved and Hiromu Yamanaka seconded that Poulton's request be denied for lack of proper supervision. Motion carried.

Helen Selner--Applicant for Salesman License

The Executive Secretary informed the Commission that Helen Selner's real estate license was revoked in California. Both she and the Executive Secretary have written to the California Department of Real Estate for a report pertaining to Selner's license revocation--California has not replied as yet. The Executive Secretary briefly read Selner's explanation for the revocation.

Mary Savio moved and Hiromu Yamanaka seconded that Helen Selner not be penalized for California's lack of response; she be granted a real estate salesman license, but if anything derogatory is uncovered in California's report, she immediately surrender her license. Motion carried.

Hawaii Shopping Center (Division of Blackfield Hawaii)

The Executive Secretary explained Blackfield Hawaii Corporation's request for two licenses for the same firm with a principal broker in each office.

The Commissioners were in agreement to defer action and to have this matter referred to the Attorney General's Office for an opinion.

First Hawaiian Properties, Inc. (change of name from International Equities, Inc.)

Following the discussion, Ah Kau Young moved and Hiromu Yamanaka seconded to approve International Equities, Inc.'s change of name to First Hawaiian Properties, Inc. Motion carried.

Real Estate Services, Ltd.

The Executive Secretary advised the Commissioners that the name, "Real Estate Services" was erroneously issued to a company and to a corporation--it was a matter of 2 days difference in the registration of the names--they would not consent to change their name.

The Executive Secretary was directed to check with the Business Registration Division.

Miscellaneous: 973 NARELLO Conference Delegate's Report

Hiromu Yamanaka distributed copies of his report to the Commissioners and summarized the important details.

California's Multi-State Examination Services

Chair will write to Bob Karpe of the Commission's intentions.

1974 Legislation

The Executive Secretary reported that the proposed legislation prepared by the Attorney General's Office pertaining to hiring of counsel to defend the Real Estate Recovery Fund was submitted to the Director and will be submitted as an Administrative Bill.

Examination Date Change

The Commissioners have scheduled the last 1974 examination for November 9, 1974.

October 27, 1973 Examination Results

Ah Kau Young moved and Mary Savio seconded to accept the results of the October 27, 1973 examination with the additions. Motion unanimously carried.

Identification Policy for Admittance to Examination

The Commission ruled that the policy of having a photograph to gain admittance to the examination be strictly adhered to.

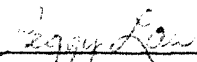
Next Meeting

Date: January 10, 1974, at 9 a.m.


Adjournment:

There being no further business, Chairman Sodevani adjourned the meeting at 4:30 p.m.

Taken and recorded by

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

Approved by:

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