

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

MINUTES OF MEETING

Date: Thursday, February 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

Cyde E. Sumida, Deputy Attorney General
Yukio Higuchi, Executive Secretary
George "Red" Morris, Executive Vice President, Hawaii Assn. of Realtors
Dwight M. Rush, Attorney Representing Developer of Makiki Heights
Condominium
Walter Beh, II, Attorney Representing Developer of Makiki Heights
Condominium
Hiroshi Sakai, Private Attorney
Milton Motooka, President of Hawaii Association of Real Estate
Schools
John Stapleton, John Stapleton School of Real Estate
John Reilly, John Stepleton 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 a.m.

Minutes: Ah Kau Young moved and Tadayoshi Ishizu seconded to approve the
minutes of the January 30, 1975 meeting as circulated. Motion
carried.

Committee
Reports: Real Estate Education Advisory Council

Mary Shern's Correspondence Course Offered in Honolulu

Mary Savio moved and Ah Kau Young seconded to accept completion
certificates from Mary Shern School of Real Estate, and Mike
McCormack School of Real Estate for those who complete their
correspondence prelicensing course for the April 12, 1975
examination.

Motion unanimously carried.

E.T.S. Correspondence Regarding Possible
Attempts to Reconstruct Examination Questions

The Executive Secretary reported that E.T.S. had requested that a member of staff be enrolled at schools to acquire copies of schools' examination, but staff decided to handle the matter with a direct approach. Our investigator will be directed to contact the schools for copies of their examination.

E.T.S. Correspondence Regarding the Extraneous
Situation Which Occurred at the November 9, 1974
Examination at Maui Community College

The Chairman directed that staff notify E.T.S. that it has no information to contribute to E.T.S., because none of the Commission's member or staff was present at the examination, and that they should contact their Maui examination proctor for information.

Book Donations

Executive Secretary reported that he is still waiting for an itemized book and price list from Robert Grant. Mary Savio was requested to work with Robert Grant for an updated list.

Education Consultant

Executive Secretary reported that he has made no progress on this project since the last meeting.

Continuing Education (S.B.M.)

Executive Secretary gave a no progress report on this project.

Real Estate Chair at University of Hawaii

Executive Secretary gave a no progress report on this project.

Condominium Review Committee

Committee Chairman John Urner reported that the two proposed bills prepared by his committee were submitted to the Legislature, and he will follow progress of these bills. Urner requested that a copy of the Governor's veto message on the time-sharing bill be sent to him.

Legislation Committee

Chairman Sodeani announced that he has formed a new committee called "Legislation Committee," and shall be composed of the 4 Oahu members with Ah Kau Young as the chairman. This committee

was charged with the responsibility of reviewing all bills that do not pertain to Horizontal Property Regime bills, prepare testimonies on these bills, and to select someone to testify at legislative hearings.

Real Estate Recovery Fund

Niimi vs. Robert Jobes, dba Jobes Real Estate

Herbert Isonaga moved and Ah Kau Young seconded to order investigation on this matter for possible violation.

Motion carried.

Attorney General's Report

Deputy Attorney General Clyde Sumida reported on the three hearings that were conducted at Capt. Cook-Kona, Hawaii, on February 25 and 26, 1975, in the Matter of (1) RE-518 Singleton Associates, (2) RE-528 Durrel Robison, and (3) RE-547 Durrel Robison. It was reported that the hearing on RE-547 was concluded but the hearings on RE-518 Singleton Associates and RE-528 Durrel Robison were continued to a later date in Honolulu.

Sumida also apologized to the Commission for the delay in proceeding in other cases referred for hearing due to his very heavy schedule.

Business Out
of Minutes:

Questionable Applications

Robert W. Hall, Restoration of Salesman License

Executive Secretary reported that after reviewing a draft of the hearing officers report on the concluded hearing, he felt that the report should be redrafted. He requested that he be given an opportunity to rewrite the report in a proper format. Chairman Sodetani so ordered.

Grubb & Ellis Commercial Brokerage Company

Executive Secretary reported that Henry Shigekane, Attorney for Grubb & Ellis Company, had written to the Commission, indicating that his client will comply with the Commission's position relative to the manner the corporate name shall be used in all advertising, letterhead, etc.

John Texeira moved and John Urner seconded to approve the license application. Motion carried.

Calvin W. Ontai, Applicant for Broker License

Herbert Isonaga moved and Ah Kau Young seconded that the Director of Regulatory Agencies be requested to appoint a hearing officer to hear this case.

Motion unanimously carried.

Douglas C. K. Tom, Applicant for Salesman License

The Executive Secretary advised the Commission that their January 30, 1975 action to deny Douglas Tom's application was improper because the hearing on this matter had not been concluded, and the Commission must wait until the hearing is concluded and all APA procedures have been followed.

Ah Kau Young moved and John Texeira seconded to rescind its January 30, 1975 action on the matter, and the hearing be continued to March 27, 1975. Motion carried.

Howard Hee, Applicant for Salesman License

Howard Hee's application for issuance of a real estate salesman's license was earlier denied by the Commission for failure to apply before one year had expired from the date of his examination. By letter dated February 6, 1975, Hee requested that the Commission grant him an informal conference in lieu of his right to a formal hearing. Hee appeared before the Commission and explained his reasons for his delay in submitting his application. After Hee was given every opportunity to give his explanation, he was advised that the Commission would take his explanation under advisement and he would be notified of the Commission's decision. Hee was excused.

Following discussion, Mrs. Mary Savio moved and Tadayoshi Ishizu seconded to deny Hee's application. Motion unanimously carried.

NARELLO Western District Enforcement Conference

Mrs. Mary Savio reported that she was corresponding with George Oakes of Washington regarding the enforcement conference, and she will forward to the Commission the information as to the time and place of the conference when all details are set.

E.T.S. Examination Advisory Committee Meeting

Executive Secretary reported that he has received no information as to the place and time of the committee meeting; therefore, he is unable to prepare the travel request for two to attend the meeting.

Investigations: RE-518 Singleton Associates

(See Attorney General's Report)

RE-523 and 547 Durrel Robison

(See Attorney General's Report)

RE-553 Bernice Midkiff

Hearing notice and file are at the Attorney General's Office.

RE-571 Benjamin E. Ayson

(Same as above)

RE-574A Joyce Watt

File is in the hands of Attorney General for review and direction.

RE-574B Wallace Sanger

File is to be forwarded to the Attorney General for review and direction.

RE-565 Read Realty, Inc.

Hearing notice and file are at the Attorney General's Office.

RE-582 Albert Kanahale

Executive Secretary reported that he will shortly prepare the draft of hearing notice and will forward the file to the Attorney General's Office for review and assistance.

Esposito's Complaint Against Kenneth Chong

John Texeira moved and Ah Kau Young seconded to dismiss this complaint on the basis that the Commission found no violation. Motion carried.

RE-594 Honolulu Realty, Inc.

After discussion, the Commission directed that investigator submit additional information on Alvina Sventenko's guarantee given to John T. Quinn, Jr., that she guaranteed a 6 months income for the rental apartment. (How was guarantee going to be satisfied if no tenant was found? How was contract made? How was it advertised? Did it go through the broker?)

RE-573 Douglas Correa, Pres., National Realty, Inc., and Real Estate One Mililani Branch

John Texeira moved and John Unger seconded to hold this case in abeyance because the Commission is expecting many more complaints against Correa.

Motion was carried.

The Commission further noted that it intends to look into Real Estate One's involvement with Correa.

New Business: LicensingCORPORATIONS:

Bearchau Corp. - 2006 Main St., Wailuku, Maui
 Rexene C. Au-PB
 Velva Bergevin Maui, Inc. - 123 Lahainaluna Rd., Lahaina, Maui
 Charles L. Bohannon-PB
 Esposito & Associates Realty, Inc. - 1210 Queen St. #7, Honolulu
 Clarence M. Esposito-PB
 Ingel, Mina, Europa & Associates, Inc., dba-Engel Realty Co. -
 Alejandro B. Ingel-PB 905 Umi St. #101, Honolulu
 Landworld Enterprises, Ltd. - 1410 Kapiolani Blvd. #30, Honolulu
 Michael K. McAndrews-PB
 Pacific Inter'l Developers Corp. Ltd. - 190 S. King St. #2406,
 Marika Yamato-PB Honolulu
 Unique Realty, Inc. - 2615 S. King St. #309, Honolulu
 Clarence H. F. Lee-PB

Herbert Isonaga moved and Ah Kau Young seconded to approve the above corporation applications, with the exception of Ingel, Mina, Europa & Associates, Inc. Motion carried. (Ingel, Mina, Europa & Associates, Inc.'s application was denied on the grounds that Mina and Europa are not licensed real estate brokers.)

PARTNERSHIP:

Holiday Investments & Associates - 1777 Ala Moana Blvd. #223,
 Fumio Nakai-PB Honolulu
 Soo Hyun Realty - 1410 Kapiolani Blvd. #15, Honolulu
 Laura C. Light-PB

John Texeira moved and Mrs. Mary Savio seconded to deny the application of Holiday Investments & Associates on the grounds that the partnership name is too similar to "Holiday Realty & Investment" (Land-West Dev. Co., dba), which is a partnership already registered with the Commission. Motion carried.

John Texeira moved and Mrs. Mary Savio seconded to approve the application of Soo Hyun Realty, provided that the name "Soo Hyun" is not someone's surname. Motion carried.

BRANCH OFFICE:

Beta Pacific, Inc. Br-1 - Ki , Bldg. #5, Box 68,
 Michael M. Dyer-BIC Kilauea
 Pacific Islands Mgmt. Ltd. Br-1 - 53-567 Kam Hwy., Hauula
 Jack E. Chaffee-BIC
 Real Estate Centre, Inc. Br-1 - 95-119 Kam Hwy., Wahiawa
 Chow Keong Tom-BIC
 Wailea Realty Corp. Br-1 - 841 Bishop St. #1800, Honolulu
 Rowland B. Reeve-BIC

Herbert Isonaga moved and Tadayoshi Ishizu seconded to approve the above applications, with the exception of Pacific Islands Management, Ltd. Motion carried.

The approval of Pacific Islands Management, Ltd. was withheld pending receipt of zoning clearance.

TRADENAME:

- Dave Ford Real Estate - 97 Banyan Dr., Hilo
David R. Ford, dba
- Golden Triangle Real Estate - Seaside Mall #5, Kailua-Kona
Donald E. Kraemer, dba
- Harbor Realty - 190 S. King St. #1460, Honolulu
John H. McCready, dba
- Walter P. Realty - Kona Seaside Hotel, Palani Rd., Box 13,
Walter P. Perreira, dba Kailua-Kona
- Phil Thomas - 736 South St. #202, Honolulu
Philip B. Thomas, dba
- Tom Metz Associates - 4747 Kilauea Ave. #202, Honolulu
Thomas O. Metz, dba
- Baldwin Realty - Kahului Shopping Ctr., Box 400
Bennet M. Baldwin, dba

Mrs. Mary Savio moved and Ah Kau Young seconded to approve all of the above applications. Motion carried.

CHANGE OF NAME ONLY:

- Flinn & Co., Inc. (formerly Flinn, Ackley & Co., Inc.)
Marion E. Flinn-PB, 1215 Hunakai St., Honolulu

Herbert Isonaga moved and Mrs. Mary Savio seconded to approve the above application. Motion carried.

Questionable Applications

Roy Y. Nihei, Applicant for Salesman License

Applicant had taken and passed the January 26, 1974 examination, but he filed his application for issuance of his license on January 28, 1975, which is 2 days beyond the 1 year limitation.

John Texeira moved and Herbert Isonaga seconded to deny his application on the grounds that he failed to comply with the 1 year limitation of Rule 2.2(b) of the Commission's rules. Motion carried.

Mike McCormack Realtors, Kihei Branch Office

Herbert Isonaga moved and John Texeira seconded to issue license under the name of "Mike McCormack (a McCormack Corporation)." Motion carried.

Mike McCormack Realtors, Request for Waiver of Reissuance Fee

Mrs. Mary Savio moved and Ah Kau Young seconded to deny McCormack's request to waive the reissuance fee for all of their licensees. Motion carried.

Miscellaneous: 1975 Legislation

Executive Secretary gave a status report on the following legislations:

H.B. No. 429 - Relating to Licensing of Real Estate Brokers and Salesmen

S.B. No. 213 - Relating to Solicitation by Telephone or Mail of Real Estate

H.B. No. 365 - Relating to Solicitation by Telephone or Mail of Real Estate

S.B. No. 530 - Relating to Certified Property Managers

S.B. No. 313 - Relating to Licensing of Real Estate Brokers and Salesmen

H.B. No. 860 - Relating to Certified Property Managers

S.B. No. 282 - Relating to Real Estate Brokers

S.B. No. 155 - Relating to Horizontal Property Regimes

S.R. No. 166 - Relating to Licensing Requirements for Real Estate Brokers

Proposed Legislation on Horizontal Property Regimes Submitted by Commission

Letter from "Red" Morris Regarding Their Proposed Legislation on Recovery Fund Amendment

"Red" Morris appeared before the Commission and explained that they have decided to hold their proposed legislation in abeyance until further research is made.

Representative Neil Abercrombie's Letter

Executive Secretary reported that he had received a letter from Representative Neil Abercrombie advising the Commission that his office is opened to listen to the Commission's problem.

Coordination of Proposed Legislations Between Affected Agencies

The Executive Secretary was directed to meet with Walter Yamashiro the Consumer Protector, to discuss this matter.

Registration of Makiki Heights, Reg. No. 752

Attorneys Dwight Rush and Walter Beh appeared to explain the unique feature of this project, which was being questioned by staff. They explained that the developer plans to assign the construction contract and performance bond to the purchasers, but the developer will still oversee the construction to completion because the developer will not get any payment until the project is completed.

Based on the assurance that the developer will be responsible to see the project to completion, Herbert Isonaga moved and Tadayoshi Ishizu seconded to approve the project and issue a public report. Motion carried. The Commission decided that it will conduct a study of this idea and will formulate guidelines for future projects with similar feature.

H.P.R. Questions Raised by Kenneth Chong

Kenneth Chong had requested the Commission's ruling to the following questions:

- (1) What is the Commission's position regarding a request for refund by purchaser in a situation where the final public report is issued 14 months after the issuance of a preliminary public report, and after purchaser had accepted a copy of the final public report?
- (2) What is the Commission's position when there is a conflict between the provision contained in the sales contract and the law as it relates to full refund?

Herbert Isonaga moved and Mrs. Mary Savio seconded that the Commission take the following positions:

- (1) That once the final report is receipted by the purchaser, he waives his rescission rights to Section 514-37, H.R.S.
- (2) That the law or rules supersedes all contractual provisions that conflicts with the law or rules.

Motion carried.

Discussion with Hawaii Association of Real Estate Schools

Milton Mooka, President of the HARES, gave a progress report on the Commission's request to research and study the existing

procedures for certification of instructors and the contents of the approved curriculum.

Motooka further reported that the Association wish to submit its evaluation of Mary Shern's correspondence course at the Commission's April meeting.

Motooka requested that some sort of auditing of E.T.S.'s examination be made by a third party such as the Attorney General. Herbert Isonaga suggested that the Commission ask E.T.S. for all questions that are missed by 50 percent or more of the examinees, and the Commission could review the questions. Herbert Isonaga volunteered to communicate with E.T.S. on this matter. Chairman Sodetani so ordered.

Announcement was made that Investigator Mike Machado will be making school visitations to look into the quality of the instructors and to take evaluation surveys.

Correspondence: Letter from Students of Interstate Properties School of Real Estate

The Commission was presented with a letter signed by 17 students from Interstate Properties School of Real Estate requesting that the Commission amend the rules to allow the use of calculators at examinations.

John Texeira moved and Ah Kau Young seconded to deny the request and to advise them that this matter will be studied. Motion carried.

Letter from California Real Estate Commission Regarding Film, "ON THE MOVE"

By letter, the California Real Estate Commission advised all members of NARELLO that their film, "ON THE MOVE," which is a consumer education film, is available for sale at \$500.

Ah Kau Young moved and Mrs. Mary Savio seconded to purchase the film through funds available in the Real Estate Education Fund. Motion unanimously carried.

Letter from National Association of Realtors Regarding "Suggested Pattern Real Estate License Law"

The Chairman directed that the "Suggested Pattern Real Estate License Law" booklet be forwarded to the Hawaii Association of Realtors for their review, and they be requested to submit suggested changes that the Commission should consider for incorporation into our law and rules.

Announcements: None

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Minutes of Meeting of February 27, 1975

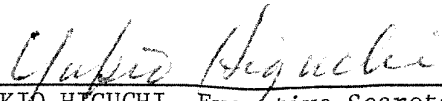
Date of Next Meeting:

Thursday, March 27, 1975, at 9 a.m., in the Board Room.

Adjournment:

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

Taken and recorded by:


YUKIO HIGUCHI, Executive Secretary

YH:rh
3/20/75