

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

MINUTES OF MEETING

Date: Wednesday, October 15, 1975

Place: Conference 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

Clyde E. Sumida, Deputy Attorney General  
Yukio Higuchi, Executive Secretary  
Alvin Yamamoto, Investigator  
Mrs. Karen Hirota, Clerk--Stenographer

George "Red" Morris, Real Estate Licensee  
Violet C. King, Real Estate Licensee  
Douglas Prior, Attorney for West Molokai Condominium (Reg. #807)  
Ms. Bea Bordon, Consultant for West Molokai Condominium (Reg. #807)  
Jon Sniger, Consultant for West Molokai Condominium (Reg. #807)  
Mike Porter, Attorney for West Molokai Condominium (Reg. #807)  
Ms. Judith D. Sidel, Owner-Occupant of Fairway Villa  
Ms. Louise Hewett, Owner-Occupant of Fairway Villa  
Ms. Dora Golden, Owner-Occupant of Fairway Villa  
Ms. Rose Bimsloger, Owner-Occupant of Fairway Villa  
Ms. Ziegenheim, Owner-Occupant of Fairway Villa

Absent: Ah Kau Young, Member  
John M. Urner, Member

Excused: John D. Texeira, Member

Called to Order: There being a quorum, Chairman Sodetani called the meeting  
to order at 9:20 a.m.

Minutes: Mary Savio moved and Tadayoshi Ishizu seconded to approve  
the minutes of the September 25, 1975 meeting as circulated.  
Motion unanimously carried.

Executive Secretary reported that the agenda for the  
October 15, 1975 meeting had been filed with the Lt. Governor's  
Office on October 10, 1975 to comply with the Sunshine Law.

Committee  
Reports:

Real Estate Education Advisory Council

Application for Instructor's Certificate

Jane M. Muramatsu (Waikiki Realty Real Estate School)

Executive Secretary informed that Jane M. Muramatsu fulfills the requirements as a real estate salesman instructor.

Mary Savio moved and Tadayoshi Ishizu seconded to approve Jane M. Muramatsu's application. Motion unanimously carried.

Continuing Education

Executive Secretary reported that he sent Wesley Park the contract to refine the scope of the work that is to be done.

Herbert Isonaga suggested that the Executive Secretary call Wesley Park and inform him that the scope of work should include for each of the subject matters-the lesson plan, detailed description of the subject matter to be covered and a lesson guide for instructors. Also, be prepared to tell the Commission where the instructors will come from and should give the Commission a budget estimate of the cost of the courses.

Herbert Isonaga also suggested that a bibliography be prepared of the course material for the student to get all the information he needs to complete the courses.

Hiring of Educational Consultant

Executive Secretary reported that the contract was prepared and will be forwarded to the Director. As soon as the Director approves the program, the Commission will advertise for applications.

Executive Secretary will check with the Administrative Services Office as to the legal requirements. Herbert Isonaga will assist with the advertisement. The Ad Hoc Committee would like to select the consultant by the November 20, 1975 meeting.

Establishment of Real Estate Chair

Herbert Isonaga reported that the Real Estate Chair will cost \$50,000 per year. He briefly outlined the functions and responsibilities of the chair.

Herbert Isonaga informed that he felt that the proposed contract form would not satisfy the Director. Executive Secretary gave Herbert Isonaga an approved contract form as a guide in developing the contract in order that he can pursue this matter.

Chairman Sodetani excused Herbert Isonaga at 10:10 a.m.

Condominium Review Committee

Study on "Time Sharing" Legislation (H.R. 734)

Committee Chairman John Urner was not present at the meeting to give a report.

Study on Condominium Problems (S.R. 399 and H.R. 694)

Committee Chairwoman Mary Savio reported that the Committee has nothing new to report until the next meeting. She reminded the Commission that a meeting of the Commission members will be held on October 16, 1975, at which time the Commission will review the law and rule changes her Committee has suggested.

Ms. Judith Sidel spoke on behalf of the dissident owner-occupants of the Fairway Villa to urge that the Commission strengthen the HPR Act to protect the consumer who purchases as an owner-occupant.

Legislation Committee

Committee Chairman Ah Kau Young was not present at the meeting to give a report.

Real Estate Recovery Fund

Executive Secretary reported that he had no report to make at this time.

Attorney General's Report

Deputy Attorney General Clyde Sumida reported that most of the complaint cases have been assigned to various attorney generals.

Clyde Sumida reported that the hearing dates for the cases will be worked out with the Complaint Officer Robert Klein and will also be scheduled with the Hearing Officers.

It was suggested that, in the case of the Director, the principal culprit be held responsible for a time. Clyde Sumida suggested that individuals are not informed that the Commission is based upon what they have

done and would like to have them as witnesses (in an interviewing manner). It was also suggested that Clyde Sumida and the Executive Secretary work this out and that the Commission get after Marn Yee, the principal.

It was also reported that in the case of Durrel Robison, he was unable to contact Mrs. Hiserote to testify as a witness. After listening to the hearing tapes, Clyde Sumida felt that the Commission does not have a case. He recommended that the Commission dismiss the case. He will submit his motion to the hearing officers.

Clyde Sumida informed the Commission that E.T.S. had filed a crossclaim against the Real Estate Commission and that a crossclaim was filed back against E.T.S.

There was considerable discussion regarding the actual facts of the crossclaim mentioned by E.T.S. Clyde Sumida requested copies of the file on E.T.S. matters.

He was requested by the Commission at the previous meeting, to define what a satisfactory bond consisted of.

Chairman Sodetani felt that either an independent surety bond, an irrevocable letter of credit from a member bank of FDIC or a material house bond was acceptable.

Clyde Sumida informed that a reasonable equivalent also could be acceptable and that it is the Commission's discretion to give lee-way to equivalents.

Luncheon Recess:

Chairman Sodetani called a luncheon recess at 11:45 a.m.

Reconvened:

Chairman Sodetani reconvened the meeting at 1:15 p.m.

Herbert Isonaga returned to the meeting at 1:15 p.m.

Business Out  
Of Minutes:

Questionable Applications

Douglas Chew Kum Tom, Applicant for Real Estate Salesman License

Executive Secretary reported that the hearing was closed and that John Teixeira requested a copy of the hearing notice be sent to him so he can write the hearing report.

Calvin W. Ontai, Applicant for Real Estate Broker License

Executive Secretary reported that he spoke with the Deputy Director and was informed that Calvin Ontai was to submit a letter of memorandum, but to date, he has not submitted a letter. The Deputy Director informed that he will pursue this matter and will prepare the hearing report.

Wayne M. Kinoshita, Applicant for Real Estate Salesman License

Executive Secretary read a letter from Wayne Kinoshita dated September 18, 1975 requesting to appear before the Commission to explain the mitigating circumstances in his late filing.

Executive Secretary recommended that the Commission defer this matter until a future date due to the fact that Wayne Kinoshita did not appear at this meeting. It was so ordered by the Chair.

Investigations:

RE-528 Durrel L. Robison

(See Attorney General's Report)

RE-542 Sheldon Soosman

Executive Secretary informed that he will prepare a hearing notice and send it to the Attorney General's Office.

RE-587 Cranesco

Executive Secretary informed that he will prepare a hearing notice and send it to the Attorney General's Office.

RE-634 Joseph Francone and Nanawale Estates

Executive Secretary reported that he wrote to Nanawale Estates and enclosed a copy of the complaint letter brought against them but to date, has not received any response from Nanawale Estates.

RE-621 Vacation Internationale, Ltd.

Executive Secretary informed that this was an investigation requested by the Commission and Sue Dyck. This matter was referred to the Office of Consumer Protection and then referred back to the Real Estate Commission questioning whether this is unlicensed activity.

He also informed that a copy of the report was sent to Deputy Attorney General Allan Kawada, who will be handling this case for the Commission.

RE-626 Len Dillenbeck, Et al, Circle Realty

Executive Secretary reported that this case is a Real Estate Recovery claim which was set aside to Sidney Ayabe as requested therefore, no action was necessary at this time.

RE-627 Tsugio Tanigawa Realty

Executive Secretary reported that this case is a real estate recovery claim which was sent directly to Sidney Ayabe as requested, therefore, no action was necessary at this time.

RE-641 Melim Realty

Executive Secretary informed that there is nothing the Commission can do to prevent such activity. He was requested to check the HPR or the Declaration, and to check with Clyde Sumida to see whether the Commission can bring action against the developer.

There was considerable discussion regarding unusual conditions on the Declarations being submitted to the Commission for registration.

Herbert Isonaga informed Alvin Yamamoto that any unusual conditions on any project be "red flagged" and advise the attorney of such action.

Herbert Isonaga suggested that the Commission set a policy for cases where there is an apartment zone, the Commission "red flag" the report unless the developer says it will be used strictly for apartment units only.

It was also recommended that the Commission "red flag" any situation involving rental of a resident manager's apartment unit to someone who is not a resident manager. It should be required that the developer state that it is not the intent of the developer to sell or rent the unit to anyone who is not a resident manager.

RE-644 William Anderson

Herbert Isonaga moved and Tadayoshi Ishizu seconded to advise the complainant that the investigation showed no violation on the back taxes. However, the Commission feels that he should have notified the complainant of his ownership, but inasmuch as he had forfeited his broker's license and his whereabouts is unknown, the Commission can take no further action. Should William Anderson return and attempt to restore his license, this matter will be taken up at that time. His license will be "red flagged". Motion unanimously carried.

RE-653 GAC Properties

Herbert Isonaga moved and Mary Savio seconded to send a warning letter to GAC Properties to advise that the staff is not provided with adequate supervision because:

There is no telephone available for broker-in-charge when broker can contact them.

- 2. Broker-in-charge is not available the majority of the work day while employees are on duty.
- 3. The certificates of employees are not posted at place of business.

Motion unanimously carried.

RE-75-5 Hale Kahawai Associates

Herbert Isonaga moved and Tadayoshi Ishizu seconded to dismiss the case because respondent had taken remedial steps. Motion unanimously carried.

New Business:

Licensing

CORPORATION:

Fannemil-Minn, Ltd. - 1015 Bishop St., The Mezzanine, Honolulu  
Philip Nathan Minn

Executive Secretary recommended denial on the basis that Fannemil is only a salesman.

Mary Savio moved and Tadayoshi Ishizu seconded. Motion unanimously carried.

BRANCH OFFICE:

Michael Ota & Associates, Inc., Br-1 - 1045 Mapunapuna St.,  
Lorna L. U. Ota-BIC Honolulu

Great Hawaiian Realty, Inc., Br-8 - Holiday Inn, 2570 Kalakaua  
Dennis H. Oseto-BIC Ave., Honolulu

General Hawaiian Development Corp., Br-3 - Hanalei Beach &  
Peggy B. Becklund-BIC Racquet Club Clubhouse, Hanalei,  
Kauai

Executive Secretary recommended approval of the applications for branch office subject to fulfilling the requirements.

Tadayoshi Ishizu moved and Mary Savio seconded. Motion unanimously carried.

TRADENAME:

Ed Wright, Broker - 332 Uluniu St., Kailua  
Edward E. Wright, dba

Executive Secretary recommended approval of the application for tradename.

Mary Savio moved and Tadayoshi Ishizu seconded. Motion unanimously carried.

Executive Secretary requested the Commission to grant him a authority to review and approve all applications up to period of October 16, 1975 that meets the standards.

Mary Savio moved and Tadayoshi Ishizu seconded. Motion unanimously carried.

Miscellaneous:

Request of Marie Hansen to Use the Name "Grubb & Ellis"

Executive Secretary read a letter dated October 7, 1975 from Attorney Henry Shigekane representing Marie Hansen.

Executive Secretary recommended the denial of the request from Marie Hansen to use the words "Grubb & Ellis" in her business name.

Mary Savio moved for the denial and Tadayoshi Ishizu seconded. Motion unanimously carried.

Registration of Hale Mahialani Condominium (Reg. No. 794)

Alvin Yamamoto reported to the Commission that the developer of this project wanted to commit all of the 21,000 sq. ft. of this property to the HPR, but they wanted to reserve the right to withdraw 10,000 sq. ft. of the property from the regime at any time in the future.

Executive Secretary informed that he feels the developer should subdivide and develop it into two separate projects or create the 10,000 sq. ft. into a limited common element.

Herbert Isonaga stated that if the developer insists on proceeding, the Commission will review every facet in the project and it will be clearly printed in the public report.

Registration of West Molokai Condominium (Reg. No. 807)

Alvin Yamamoto informed that this project will be operating as half hotel and half condominium.

Herbert Isonaga stated that the Commission should make sure that the public report warns and cites their proposal. The Commission might ask them to sign a receipt stating that they received the brochure.

Chairman Sodetani recommended that we "red flag" things that are of importance to the buyers of these units.

Real Estate School Visitation Report

Executive Secretary reported that a real estate school visitation report was submitted by George Arine, staff investigator, on the August 9, 1975 examination.

It was reported that no v<sup>e</sup> e found at any of  
th<sup>is</sup> c

Executive Secretary informed the Commission members that if they would like to review the report, it will be available to them. He was directed to write a letter of commendation to George Arine with a carbon copy to Dick Okaji.

Correspondence:

Frank Zuzak's Letter re: Sale of Interval Ownerships of His Condominium Apartment

Executive Secretary briefly read a letter dated September 15, 1975 from Frank Zuzak, asking the Commission's feeling on the sale of interval ownerships of his condominium apartment.

Chairman Sodetani suggested that the Commission write a letter to Frank Zuzak informing him that this is a legal matter and at this time, there is no law that prohibits such activity.

Date of

Next Meeting:

Thursday, November 20, 1975, at 9 a.m., in the Penthouse.

Adjournment:

There being no further business, Chairman Sodetani adjourned the meeting at 3:10 p.m.

Taken and recorded by:



Karen Hirota, Clerk-Stenographer

Approved by:

  
YUKIO HIGUCHI, Executive Secretary