

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

MINUTES OF MEETING

Date: Tuesday, April 27, 1976

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

Present: Herbert S. Isonaga, Acting Chairman
Mary V. Savio, Member
Ah Kau Young, Member
Tadayoshi Ishizu, Member

Clyde E. Sumida, Deputy Attorney General
Robert Klein, Complaint Officer
Yukio Higuchi, Executive Secretary
Peggy Lau, Clerk-Stenographer

David A. Heenan, Dean of College of Business Administration, U of H
David Peters, Director, Small Business Management Program, U of H
Elizabeth McLaughlin, Principal Broker (RE-617)
Laura Light and Louise Camacho (RE-76-4)

Absent: John Texeira, Member
John Urner, Member

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

The Executive Secretary reported that today's agenda was filed on April 23, 1976 at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Ah Kau Young moved and Tadayoshi Ishizu seconded to approve the minutes of the March 25, 1976 meeting as circulated. Motion unanimously carried.

Informal Conference: Informal Conference with Elizabeth McLaughlin, Principal Broker of Liz Real Estate, Inc., Re: Complaint Filed Against Liz Real Estate, Inc. (RE-617)

The Executive Secretary briefly summarized the complaint. Liz McLaughlin reiterated most of her statements made to the investigator assigned to this case.

A statement signed by her salesman stating that the Canal House would be solely for owner occupants was shown to Liz McLaughlin. Liz McLaughlin stated that this was a retaliation against her; she refuted the statements made by her salesman.

Because her reputation is at stake and for expediency sake to end this complaint, McLaughlin stated that she would be willing to refund the \$265 that she kept for the financial hardship and inconvenience caused by complainant, if this does not go against her record. Robert Klein informed McLaughlin that her record would reflect that a settlement was made.

Ah Kau Young moved and Tadayoshi Ishizu seconded that this case be dismissed upon receipt of evidence that the complainant has been refunded the \$265 and released of further contractual obligations. Motion carried unanimously.

Committee
Reports:

Real Estate Education Advisory Council

Hiring of Educational Consultant

The Executive Secretary reported that he has received five applications for the educational consultant position. The applications were discussed informally; most bids were higher than the Commission had estimated.

Mary Savio, Chairperson of the Education Advisory Council, was directed to contact Bob Grant of the Hawaii Association of Realtors, David Peters of the Small Business Management Program and Ms. Rhoda Feinberg of the Hawaii Association of Realtors, if they would be willing to serve on her committee to review the five applicants thoroughly and help make a recommendation to the Commission for its next meeting.

Establishment of Real Estate Chair

David Heenan, Dean of College of Business Administration, U of H, verbally recommended for the Commission's consideration that Dr. Richard Ratcliff be appointed as the first occupant of the real estate chair. Copies of Dr. Ratcliff's resume were circulated.

The Commission was in favor of Dean Heenan's recommendation for Dr. Ratcliff's appointment to the real estate chair; subject to the Education Advisory Committee touching bases with the Hawaii Association of Realtors and the Director, the Commission will proceed on this matter accordingly.

Acting Chairman Isonaga announced that he met with Dean Heenan to redraft the contract to indicate the University Foundation as agent and very minor changes were made; the contract was handed to the Deputy Attorney General for finalization.

Hiring of Staff Education Officer

The education staff position supplemented from the Governor's budget created to work with the Executive Secretary on real estate education matters was discussed. Question was raised as to who would supervise this person, and if this position was even approved. Acting Chairman Isonaga will bring this to the Director's attention.

Real Estate Book Donation

The Executive Secretary reminded the Education Advisory Committee that it was again time to work together on donation of real estate books to the public and university libraries; \$700 has been allocated to purchase additional books.

Real Estate Film "On the Move"

The clerk-stenographer briefly reported that she met with Mary Savio and the Executive Secretary to formulate the guidelines for borrowing the film, "On the Move". All requests to borrow the film must be in writing from a licensee or a known organization and for a period of 24 hours. The film has been borrowed three times thus far.

It was the Commission's decision to have the educational consultant contact E.T.V. and attempt to have the film shown on E.T.V.

Legislation Committee

The Executive Secretary reported that he compiled a folder of the legislation he felt was alive and summarized each.

Real Estate Recovery Fund

No report.

Attorney General's Report

Clyde Sumida apprised the Commissioners that he had no report to make as no requests were submitted to him.

Business Out
of Minutes:Questionable ApplicationsCalvin W. Ontai, Applicant for Broker License

The Executive Secretary advised the Commission that this case is still pending; the Deputy Director has not reached a decision on Ontai's hearing held earlier.

Investigations: RE-75-8 Hugh Menefee, Inc.

After considerable discussion, Mary Savio moved and Ah Kau Young seconded that Hugh Menefee be called in for an informal conference as Menefee has not responded to the Commission's request to settle this matter with Rade Vanic and the Commission is now aware that eight others have filed the same complaint. Motion carried unanimously.

RE-75-14 Velma R. Davis

This case has been reopened as the complainant has written the Commission that he is not satisfied with the settlement. The Commission directed that the Investigator assigned to this case request that the respondent produce evidence of payment or reasons for non-payment.

RE-633 Walter N. Clark

The Executive Secretary was directed to contact the complainant's attorney to find out the status of the civil suit, and determine if the complainants would be available locally in the near future to proceed with a hearing.

RE-76-4 Robert Boyd

Mary Savio moved and Ah Kau Young seconded to add this complaint case onto today's agenda. Motion carried.

Laura Light appeared before the Commission with Louise Camacho to further discuss her complaint. During the lengthy discussion, Light was advised that the Commission will conduct further investigation into the matter, and if additional materials are needed, she would be contacted.

The Executive Secretary was directed to have the investigator: (1) audit the account in relationship to Light's claim against the company, (2) determine who handled the account, (3) if Buttons was signing checks for the account, by whose authority, (4) what was Boyd's relationship with the sales activities, and (5) how much supervision, if any, was he providing.

RE-637 Douglas Correa and David Bartholomew

This case was discussed purely in terms of David Bartholomew; the Commission decided to withhold any action on Douglas Correa until the courts render a decision on the pending cases against Correa. The Commission felt that the action of the court will act to automatically terminate Correa's license.

Ah Kau Young moved and Tadayoshi Ishizu seconded to dismiss the complaint against David Bartholomew as the investigation revealed no evidence that Bartholomew misrepresented or conspired to defraud the complainant. The Commission felt that the repurchase agreement is between the complainant and Correa and in no way a part of the agreement between the buyer and seller; therefore, this repurchase provision was rightfully left out of the final agreement of sale between the purchaser and seller. Motion carried unanimously.

RE-75-22 Lokelani Construction Co., Inc. and/or
Tom Schmidt Realtors

It was noted from the investigation report that the respondent's attorney, Donald Iwai, was to submit a written rebuttal on this complaint.

Mary Savio moved and Tadayoshi Ishizi seconded that this case be deferred to give Donald Iwai 14 days in which to respond. Motion carried unanimously.

Con-106 Benjamin F. Kong, Developer of Liliha Square

Following the review of the investigation report, Mary Savio moved and Ah Kau Young seconded to dismiss this case as no violation of the real estate law or rules and regulations was found. Motion carried unanimously.

New Business:

Licensing

Corporation

AR Corp., dba Certified Management - 850 Richards St. #400, Hon.
Robert L. Paris-pb
CJMD Inc. - 1126 12th Avenue, #203, Honolulu
Dorothy K. Santos-pb
Century Pacific Inc. - 700 Richards St., #906, Honolulu
Joseph Y. Sotomura-pb
International Realty Corp. - 750 Amana St. #105, Honolulu
Itsuo Tokunaga-pb
Peter Kempf & Associates Inc. - 4747 Kilauea Ave., #215, Hon.
Harold P. Kempf-pb
Tony Leeb Realty Inc. - Kuakini Professional Ctr. Box 583, Kailua-Kona
Anton A. Leeb-pb
Home Rent Hawaii, a Division of Lighter Properties Corporation -
Eric A. Lighter-pb 693 Alexander Young bldg., Hon.
Sun Pacific Realty Inc. - 1200 College Walk #2C, Honolulu
Eddie Flores Jr. - pb
Syncap Inc. - 841 Bishop Street, #1512, Honolulu
David A. Dawes-pb
Val's Realty Inc. - 2828 Paa St., #1004, Honolulu
Feladis P. Villanueva-pb

Corporation (Cont'd)

Venus Realty Inc. - 843 Fort St., #502, Honolulu
 Carolyn C. Aoki-pb
 Werth Realty Inc. - 1164 Bishop St., #1509, Honolulu
 Wendy A. Werth-pb
 Friendly Isle Realty & Mgmt, Inc., dba FIRM - 657 Kapiolani, #9, Hon.
 Forest A. Hatfield-pb

Ah Kau Young moved and Mary Savio seconded to approve the foregoing corporation applications with the exception of International Realty Corporation. Motion carried unanimously.

The Executive Secretary was directed to apprise International Realty Corporation that an independent broker has already registered the dba of International Realty Associates, and the Commission felt that the similarity may cause difficulties to both, and suggests that International Realty Corporation change their name or contact International Realty Associates to see if they would be willing to give up the name. Motion carried.

Tradenname

Happy Home Realtors - 99-165 Moanalua Road, #307, Aiea
 Doris E. Manol, dba
 North Shore Properties - 59-720 Kam Hwy., Haleiwa
 Elaine I. Niimi, dba

Ah Kau Young moved and Mary Savio seconded for the approval of the above tradenname applications subject to: Happy Homes deleting the word "Realtors" from its name and North Shore Properties changing its name to Real Estate--North Shore. Motion carried unanimously.

Branch Office

Beta Pacific Inc., Br-2 - 4747 Kalauea Ave., #114, Honolulu
 Lois P. Abrams-bic
 Friendly Isle Realty & Mgmt. Inc., dba FIRM, Br-1 - Ala Malama St.,
 Allen A. Stewart-bic Box 1066, Kaunakakai, Molokai
 Hawaiian Management Co., Br-1 - 123 Lahainaluna Rd., Lahaina
 William G. Weimer-bic
 Moana/Kauai Corp., Br-1 - 190 S. King St., #1414, Honolulu
 Robert A. Haaversen-bic
 Rod Burgess Inc., Br-2 - 25 Kaneohe Bay Drive, Kailua
 Lorene K. Aldrich-bic

Ah Kau Young moved and Mary Savio seconded to approve the above applications for branch offices. Motion carried unanimously.

Change of Name

Rod Burgess Inc. - 7192 Kalaniana'ole Hwy., #225 Honolulu
Rodney K. Burgess III-pb (formerly: Rod Burgess Realtors Inc.)

Ah Kau Young moved and Mary Savio seconded to approve the above application for change of name. Motion carried unanimously.

Questionable Applications

Nancy J. Halliday, Salesman Applicant
Stanley K. Fujioka, Salesman Applicant
Paul W. Van Marter, Salesman Applicant
Peter Walker, Salesman Applicant

The Executive Secretary explained that the above applicants have filed their applications for salesman license late and no excuses were submitted.

Ah Kau Young moved and Tadayoshi Ishizu seconded to deny the above applicants for salesman license, and that they be notified of their rights for a hearing or informal conference. Motion carried unanimously.

Franklin J. K. Leong, Salesman Applicant

The Executive Secretary explained that Franklin Leong assaulted a door-to-door salesman about 13 years ago.

Ah Kau Young moved and Tadayoshi Ishizu seconded to approve Leong's application as the incident occurred 13 years ago and was unrelated to real estate. Motion carried unanimously.

Howard T. Omura, Inactive Salesman

The Executive Secretary explained that Howard Omura has requested to activate his salesman license under the employ of a broker whose place of business is situated on another island, because Lanai has no broker to employ him.

It was decided that because of the peculiar nature of this request, the Commission must ascertain that he will be employed by a responsible full-time broker who would be willing to assure the Commission in writing that he will provide the necessary supervision, and is fully aware of his responsibilities for Omura's actions in spite of the geographical problem.

Miscellaneous: E. T. S. Advisory Committee Meeting

Mary Savio and the Executive Secretary gave a report on their trip to Princeton, New Jersey, for the E. T. S. Advisory

Committee meeting. They both agreed that it was a very informative meeting.

They expressed that they were anxious to see the new salesman examination promised by January 1977, which will examine a candidate's knowledge of real estate on matters which a practicing salesman should know. The math section will be worth 27% of the Uniform section, rather than 40%. They further reported that E. T. S. is attempting to look into the possibility of establishing a real estate self-assessment and continuing education program.

The Executive Secretary stated that a combined report will be submitted by Mary Savio and himself. Chair directed that a copy of said report be forwarded to the Real Estate Schools Association and to Trade Publishing Company.

Questionable Advertisement of Larry R. Smith of P. S. Realty

Following the discussion on Larry Smith's advertisement, Ah Kau Young moved and Tadayoshi Ishizu seconded that Smith and the other party be advised that they are in violation of Rule 1.11A of the Commission's rules and regulations, and if they continue to advertise in violation of this rule, the Commission will be forced to take steps toward either suspension or revocation of their licenses. Motion carried unanimously.

Correspondence: Real Estate Schools Association of Hawaii's Letter of March 29th

A copy of this letter was circulated for informational purpose. Marshall Goldman, President of the Association, apologizes for John Stapleton's remarks made at the last Commission meeting, and offers their combined assistance in planning when new procedures are discussed in examining and registering prelicense applicants.

Anonymous Letter of April 1, 1976

This anonymous letter praising John Stapleton's remarks was circulated for informational purpose.

Bob Lloyd's Letter of April 13, 1976

The above letter was also circulated for informational purpose; commenting on the past examinations and continuing education.

Real Estate Schools Association of Hawaii's Letter of April 6th

The Executive Secretary circulated a copy of this letter from Marshall Goldman offering to report any problems that may occur at the April examination.

1976 Western District Conference - Lake Tahoe, Nevada

Ah Kau Young moved and Mary Savio seconded to add "Western District Conference" onto the agenda. Motion carried.

Chair appointed Ah Kau Young, the new Oahu member and the Executive Secretary to attend this conference. Mary Savio will be attending on her own as she is a committee member.

Date of

Next Meeting: Thursday, May 27, 1976, Board Room

Adjournment:

There being no further business to transact, Acting Chairman Isonaga adjourned the meeting at 2:45 p.m.

Taken and recorded by:

Peggy Lau
Peggy Lau, Clerk-Stenographer

Approved by:

Yukio Higuchi
YUKIO HIGUCHI
Executive Secretary

5/11/76