

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

MINUTES OF MEETING

Date: Thursday, May 27, 1976

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

Present: Ah Kau Young, Chairman
Mary V. Savio, Vice Chairman
Herbert Isonaga, Retiring Vice Chairman
John D. Texeira, Member
Tadayoshi Ishizu, Member
John M. Urner, Member
Edwin H. Shiroma, Member

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

Earl Lee, Executive Vice President, Hawaii Association of Realtors
Rhoda Feinberg, Education Director, Hawaii Association of Realtors
Galen Leong, Attorney at Law, and Richard Blum, Developer, Hugh
Menefee, Inc. (RE-75-8)
Jack Schweigert, Attorney at Law, Violet King and E. Hettrington,
Re: King's Application for Broker License
George "Red" Morris, Real Estate Broker Licensee
Rade Vanic, Complainant in Case RE-75-8
Terry Chun, Observer

Call to Order: There being a quorum Chairman Ah Kau Young called the meeting to order at 9:07 a.m.

Chairman Young announced that he was appointed as the new chairman of the Commission by Governor Ariyoshi. Chairman Young appointed Mary Savio as Vice Chairman and introduced Edwin Shiroma as the new Oahu Commissioner.

The Executive Secretary reported that today's agenda was filed on May 24, 1976 at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Mary Savio moved and Tadayoshi Ishizu seconded to approve the minutes of the April 27, 1976 meeting as circulated. Motion unanimously carried.

Informal: Hugh Menefee Re: Complaint Filed Against Hugh Menefee, Inc.
Conference: By Rade Vanic, etal

Per Commission's request, Galen Leong, attorney at Law, and Richard Blum, Vice President of Hugh Menefee, Inc., appeared to discuss and answer questions on the above complaint filed by Rade Vanic. At the conclusion of the question and answer period, Leong and Blum were advised that the Commission will take this matter under advisement.

Mary Savio moved and Tadayoshi Ishizu seconded that the Commission suggest to Hugh Menefee that because there appears very clearly from the advertisement that there was misrepresentation and because the purchaser had every right to rely on the information furnished in the brochure, Menefee should circularize to the members of the Association that he is willing to move the electronic gate to secure all assigned parking spaces at his expense, or make monetary adjustments to those whose parking stalls were placed outside of the electronic gates since it will affect the resale of their apartments. Failure to negotiate a settlement may result in the Commission turning this matter over to the Prosecutor's office. Motion carried unanimously.

Complainant Rade Vanic appeared before the Commission during the afternoon session to present and answer questions on his complaint. Vanic acknowledged that he would be satisfied if Menefee moved the electronic gate to enclose all assigned parking stalls thereby keeping he and his family out of danger.

Committee: Real Estate Education Advisory Council
Reports:

Hiring of Educational Consultant

Mary Savio informed that two meetings were held with the Oahu Commissioners, Bob Grant, David Peters and Rhoda Feinberg to discuss and review the applications for the educational consultant position. Personal interviews were held at the second meeting; each applicant was allotted 30 minutes.

Mary Savio further informed the Commission that it was obvious from the secret ballots taken that John Reilly would be recommended as the educational consultant, as he was the most qualified and the most desirable applicant, and Reilly received nearly all the first place votes. His bid was \$28,500.

Mary Savio moved and John Texeira seconded that John Reilly fill the educational consultant's position subject to the approval by the Director and the Governor's office of the \$28,500 price. Motion carried unanimously.

Establishment of Real Estate Chair

In his follow-up report on the real estate chair, Herbert Isonaga apprised the Commissioners that the Director has given his approval for the appointment of Dr. Richard Ratcliff as the first occupant of the real estate chair, and that the contract is in the Director's office for final review.

Hiring of Staff Education Officer

After checking with the Director as requested, Herbert Isonaga informed the Commission that since the staff education officer's position will be purely Real Estate Commission oriented, the Director would like the executive secretary to supervise this individual. This position will have civil service clearance; the salary set by civil service will be funded from the education fund.

Request to
be on Agenda:

Jack Schweigert, attorney at law, Violet King and E. Hettrington appeared before the Commission. The Executive Secretary explained that he received a letter from King just yesterday requesting to be on the agenda, and he could not comply with her request to be placed on the agenda, because he had already submitted the agenda to the Lt. Governor's office in compliance with the Sunshine Law. Chair took a vote by roll call to determine whether or not Violet King should be heard today. The Commissioners unanimously opposed as they felt they were not prepared, but King was permitted to submit her additional evidence.

Legislation Committee

The Commission will have to address itself to the following four resolutions that came out of the last legislature immediately:

1. Senate Resolution 439 - Requesting a study of problems in the condominium developer-owner relationship and formulation of a proposed condominium code.

The Executive Secretary apprised the Commission that public hearings on this matter will be held on Oahu, Maui, Kauai and Kona in June. In addition to the newspaper media, Earl Lee agreed to give this publicity through the Hawaii Association of Realtors. Mary Savio and the Executive Secretary volunteered to represent the Commission in this joint study.

2. House Resolution 474 - Requesting a study into the advisability of compulsory education for real estate licensees.

Mary Savio volunteered to head this study.

3. House Resolution 475 - Requesting a study into the establishment of a self-insured program for real estate errors and omissions insurance.

Mary Savio will act the Commission's liaison for this study.

4. House Resolution 629 - Requesting a study into the advisability of establishing a separate license for resident managers.

Edwin Shiroma volunteered to head this committee.

Time permitting, the Chair and the Executive Secretary will serve on all committees.

Time Sharing Legislation

Following some discussion on whether or not time-sharing is actually real estate, the Commission voted to put this topic onto next month's agenda as further research is needed.

Real Estate Recovery Fund

Copies of the real estate recovery and education funds reports were circulated showing an unrestricted balance of \$116,118.21 for the recovery fund and an unrestricted balance of \$42,883.12 for the education fund. The Executive Secretary reported that the bulk of the unrestricted funds will be placed in time deposits.

Attorney General's Report

Following Deputy Attorney General Clyde Sumida's opinion of the questionable advertisement submitted by Larry Smith of P. S. Realty, the Commission became convinced that Smith was acting as sales agent, and therefore, should not be advertising for sale by owner. The Executive Secretary was directed to so advise Smith.

Business Out of Minutes:

Questionable Applications

Calvin W. Ontai, Applicant for Broker License

The Executive Secretary had no status report to make. Robert Klein informed the Commission that the Contractor's License Board will suspend Ontai's contractor's license effective June 1st, for 6 months. The Executive Secretary was directed to request a decision from the Deputy Director on Ontai's hearing held earlier by the Commission.

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

See Attorney General's Report.

Investigations: RE-595 Empire Properties, Inc.

The Executive Secretary read a letter from Deputy Attorney General Barry Utsumi in regard to the above complaint.

Mary Savio moved and Tadayoshi Ishizu seconded to accept Barry Utsumi's recommendation for dismissal of this case as the complaint is without merit. Motion carried unanimously.

RE-617 Liz Real Estate

The Executive Secretary apprised the Commissioners of what transpired at the last meeting and informed them that the complainant has further requested 6% interest per annum on her monies held by Liz Real Estate. They were also informed that the respondent discussed this matter with her husband and has now decided that the complainant is not entitled to a refund of her monies.

This matter is pending until we hear from Elizabeth McLaughlin.

RE-633 Walter N. Clark

From the status report given by the Executive Secretary it was disclosed that the civil suit has not been resolved, and that if the complainants are given ample notice, they would appear before the Commission.

Following the discussion with the legal counsel, Mary Savio moved and Edwin Shiroma seconded that there were enough allegations in the investigation report to warrant setting this for a formal hearing. Motion carried unanimously.

RE-645 Randy Solomon

The Executive Secretary was directed to contact Douglas Hasegawa and inquire whether the deed can be issued to the complainant.

RE-75-8 Hugh Menefee, Inc.

See Informal Conference.

RE-75-22 Lokelani Construction Co., Inc.

Case is pending--Donald Iwai was given 14 days to respond; time has not elapsed.

RE-75-25 Tom Schmidt, Realtor

After updating the Commission on this case, the Executive Secretary was directed to have Paul Maki, attorney representing

Tom Schmidt, come before the Commission to discuss the matter further.

RE-76-1 Arrow Realty, Inc.

At the conclusion of the review session, Mary Savio moved and John Urner seconded that this case be dismissed as there was no liability on the part of Arrow Realty, Inc.--it acted in good faith and had nothing to do with holding the deposit. Motion carried unanimously.

New Business: Licensing

CORPORATION

- Coast & Country Properties Inc. - 851 Front St., Lahaina, Maui
Eric W. Sillito-PB
- First Hawaiian Mortgage Co. Ltd. - 190 S. King, #2400, Honolulu
John A. Topliss III-PB
- Princeville Management Co., a division of Princeville Corp.,
Princeville Makai Golf Clubhouse, Box 121, Hanalei
Charles I. Hull-PB
- Realty Research Corp. - 676 Elepaio Street, Honolulu
Don Voronaeff-PB

Mary Savio moved and John Urner seconded to approve the above corporate applications, except for Realty Research Corp., which is to be approved by the Executive Secretary upon clearance of the City and County zoning requirements. Motion carried.

BRANCH OFFICE

- Inter-Island Properties Inc., Br-1 - Naniloa Surf Hotel, Banyan
Carl W. Linnenman-BIC Drive, Hilo

Tadayoshi Ishizu moved and Edwin Shiroma seconded to approve the licensing processing of the above application for branch office license. Motion carried unanimously.

TRADENAME

- BAR Realty (formerly James V. Azzarello, dba Seashore Realty)
225 S. Queen Street, Suite 23A, Honolulu
- Capital Real Estate - 1690 Ala Moana Blvd., Honolulu
Kwan Ho Kuh, dba
- Maui Isle Properties - 1947 S. Kihei, Kihei, Maui
Michael J. Holl, dba
- Properties Services Co. - 360 Papa Place, Kahului, Maui
State Development Corp., dba
- The Real Estate Store - 42 Kamehameha Avenue, Hilo
Celeste Santos, dba *

* Mary Savio moved and John Texeira seconded to add, "The Real Estate Store" to the list of tradename applications. The motion was carried unanimously.

Mary Savio moved and Tadayoshi Ishizu seconded to approve the licensing processing of the tradename applications. Motion carried unanimously.

CHANGE OF NAME

Charles Bohannon Inc. - 123 Lahainaluna Road, Lahaina
Charles Bohannon-PB (formerly Velva Bergevin Maui Inc.)
Toshlani Ltd. - 101 Aupuni Street, #4-A&B, Hilo
Raquel H. Au-PB (formerly Bearchau Corp.)

Tadayoshi Ishizu moved and John Urner seconded to approve the applications for change names. Motion unanimously carried.

Questionable Applications

Sheldon Soosman, Applicant for Broker License

It was brought to the Commission's attention that Sheldon Soosman has passed the broker's examination and is now applying for a broker's license. Robert Klein informed the Commission that Deputy Attorney General Leo Young has more complaints against Sheldon Soosman, in addition to the Mini-Car Rentals case.

This matter was put into abeyance--awaiting a status report from Leo Young. The Executive Secretary was directed to inform Soosman why action on his application for broker's license is being delayed.

Darrel M. Ing, Applicant for Salesman License

The Executive Secretary reported that Darrel Ing has applied for his salesman's license three weeks past the deadline.

Edwin Shiroma moved and Mary Savio seconded to deny Ing's request for waiver of the one-year deadline. Motion carried.

Cedric Felix, Applicant for Salesman License

The Executive Secretary informed the Commissioners that Cedric Felix is 10 days in arrears in filing his application for salesman license, and was charged with second degree misdemeanor.

Mary Savio moved and Edwin Shiroma seconded to deny Felix's application for salesman license on the grounds of late filing. Motion carried unanimously.

Miscellaneous: Results of April 10, 1976 Examination

John Texeira moved and John Urner seconded to approve the results of the April 10, 1976 examination and that it be made a part of the minutes. Motion carried unanimously.

Real Estate Schools Association of Hawaii Critique of the April Examination

The Executive Secretary summarized a letter from Marshall Goldman, President of the Real Estate Schools Association of Hawaii, conveying the combined comments of the schools on the April examination. All in all they felt it was a much fairer examination with few complaints to the schools. They were displeased with the administration of the examination.

Chair directed the Executive Secretary to forward a copy of this letter to E.T.S. for its perusal on the areas of complaints.

John Urner brought up the subject of the use of calculators while taking the examination. Mary Savio advised that the Commission would have to first know what kind of requirements and warnings E.T.S. would enforce. John Urner moved and Tadayoshi Ishizu seconded to allow the use of calculators in the examination subject to the review of the E.T.S. brochure on calculator requirements. Motion carried without dissent.

Harry H. Higa's Request for Review of Law Section of the April Examination

The Executive Secretary advised that Harry Higa requested a review of the suitability of certain questions in the law section of the April examination; Higa failed by one point.

The Executive Secretary was directed to advise Higa that the Commission was satisfied that the questions in the law section were not ambiguous, and that if he can pinpoint the questions he felt ambiguous, the Commission will study them. Harry Higa will also be advised of the critique submitted by the Schools Association, and to write to E.T.S. for rescoring.

Report on E.T.S. Real Estate Advisory Committee Meeting

The Commissioners acknowledged receipt of the report on the E.T.S. meeting through the mail. There were no questions on the report; it was said to be a very informative and well written.

Tadayoshi Ishizu moved and John Urner seconded to accept the report and have it put on file. Motion carried unanimously.

NARELLO Western District Conference

There was no official notice on the status of the request to attend the NARELLO meeting in Nevada. The Executive Secretary felt that his trip would be disapproved as he just came back from the E.T.S. meeting and should devote more time to his work. Chair will point out to the Director of the importance of staff being at this meeting.

Correspondence: Letter from Vice President, Western District NARELLO

The Executive Secretary read this letter from C. Julian Welke announcing the newly elected officers of NARELLO.

Date of

Next Meeting: Thursday, June 24, 1976, Board Room

Adjournment:

There being no further business, Chairman Young adjourned the meeting at 3:45 p.m.

Taken and recorded by:

Peggy Law
Peggy Law, Clerk-Stenographer

Approved by:

Yukio Higuchi
YUKIO HIGUCHI, Executive Secretary

6/8/76