

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

MINUTES OF MEETING

Date: Thursday, November 18, 1976

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

Present: Ah Kau Young, Chairman
Tadayoshi Ishizu, Member
John D. Texeira, Member
Edwin H. Shiroma, Member
Ralph S. Yagi, Member
John M. Urner, Member

Russell Nagata, Deputy Attorney General
Yukio Higuchi, Executive Secretary
Peggy Lau, Secretary

George "Red" Morris, Real Estate Broker
John Fulton and Attorney Paul Maki - Case RE-76-9
Violet King and Harry Hettrington - Request to Reopen Two Cases

Absent: Mary V. Savio, Member (NAR Convention)
John W. Reilly, Educational Consultant (NAR Convention)

Call to Order: There being a quorum, Chairman Ah Kau Young called the meeting to order at 9:05 a.m.

The Executive Secretary apprised that the agenda for today's meeting was filed in the Lt. Governor's office on Monday, November 15, 1976, in compliance with the Sunshine Law.

Minutes: Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the minutes of the October 28, 1976 meeting as circulated. Motion unanimously carried.

Committee Reports: Real Estate Education Advisory Council

Home Study Real Estate Courses

The Executive Secretary reported that Mary Savio, John Reilly, Kenneth Harris, Paige Vitousek and himself met to discuss the guidelines for home study courses. As reported, there was good discussion and the recommended points of the criteria were set out for schools offering home study courses to abide by. Upon John Reilly's return from the NAR Convention,

he will draft the guidelines for the Commission to consider and adopt.

SBM Proposal for Continuing Education Courses

The Executive Secretary reported that he informed Wesley Park of the proposal that the \$7,500 be an outright grant with assurance from SBM that the profits from these courses, if any, would be placed in a SBM account earmarked to start up other projects for the Commission.

With the approval of the Commissioners, Chair gave Mary Savio, chairman of the Education Advisory Council, the authority to start negotiations with Wesley Park and make commitments for the Commission to get this program on its way.

Commission Sponsored Day Seminars

The Executive Secretary informed that John Reilly is developing a program on Advanced Real Estate Day Seminars for the Commission's approval and for SBM to organize after approval is given.

Educational Consultant's Report

There was no oral report as John Reilly was at a NAR Convention in Houston.

Legislation Committee

S. R. No. 439 (Mary Savio)

The Executive Secretary reported that this Committee, which is studying the problems in the condominium developer-owner relationship and formulation of a proposed condominium code, is awaiting three reports to be compiled. Upon receipt of the reports and if all Committee members agree, it will be printed and sent to all interested parties for comments; the Committee will then meet again and decide on the final report. The Executive Secretary added that the Committee is not progressing as fast as they had hoped, but they are trying to meet the deadline set by the Legislature.

H. R. No. 474 (Mary Savio)

The Executive Secretary informed that the Committee will have concrete recommendations to submit when the questionnaires are returned, which should be by the end of the year.

H. R. No. 629 (Edwin Shiroma)

The Commissioners reviewed and discussed Edwin Shiroma's written status report on the advisability of establishing

a separate license for resident managers. Edwin Shiroma indicated that if HAR and IREM do not wish to discuss this matter any further, he will proceed to report his own findings and observations to the Commission.

Time Sharing Bill (John Urner and Ralph Yagi)

Deputy Attorney General Russell Nagata informed that he has not received the formal request for an opinion of whether the Commission has the authority under Chapter 514 to adopt rules and regulations on time sharing. Upon being asked for his thoughts, Russell Nagata informed that time sharing could not be adopted under Chapter 514, but under Chapter 467, the Commission may proceed by requiring one to be licensed as a salesman or broker to sell time sharing. His opinion of the best route for the Commission to proceed on time sharing was to seek legislation. Russell Nagata stated that these opinions were unofficial and are subject to change when he receives the formal written request.

The Commissioners concurred that legislation would be the best route to regulate time sharing. It was decided that the Commission would polish the time sharing bill submitted last year and then touch bases with the Director.

Laws and Rules Review Committee

Edwin Shiroma circulated copies of his second report. He advised that the Laws and Rules Committee will meet on December 2 and 3, 1976 to thoroughly review the existing statutes and rules. Edwin Shiroma welcomed any comments and suggestions for the Committee's consideration.

Real Estate Recovery Fund

The Executive Secretary apprised that for the period ending November 9, 1976, the unexpended balance in the recovery fund was \$451,596.61, and the unexpended balance in the education fund was \$264,905.13.

Attorney General's Report

Deputy Attorney General Russell Nagata reported throughout the meeting as the agenda items came up.

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

Deputy Attorney General Russell Nagata recommended the following three routes toward resolving this complaint:

1. hold a formal hearing under Chapter 467 for revocation or suspension of Hugh Menefee's broker's license for misrepresentation;

2. settlement by negotiations; or
3. start over again by sending out new ballots to poll the owners of Four Paddle.

Following considerable discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the recommendation for settlement by negotiations, and that Russell Nagata be authorized to initiate settlement negotiations. Motion carried unanimously.

RE-75-7 and RE-76-88 P.S. Realtors

The Executive Secretary reported that the Director has informed him that according to the Practice and Procedures Act, the Commission may not have had a quorum in voting on the motion to hold a formal hearing on P.S. Realtors.

Edwin Shiroma moved and John Texeira seconded that the Commission reconsider its previous action that P. S. Realtors be brought to a formal hearing. Motion carried unanimously.

It was mentioned that Mary Savio abstained from voting due to a conflict of interest. Ralph Yagi stated that he opposed the motion to hold a formal hearing as he felt an informal conference would be better.

The Executive Secretary explained what transpired at past meetings. Following considerable discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded for a reconsideration of a declaratory order and request that Larry Smith submit a legal memorandum of facts to support his position that he is not governed by or violating the Commission's rules and regulations. Motion carried unanimously.

RE-76-4 Robert Boyd, Julian Buttons

Following discussion on the supplementary investigation report, Edwin Shiroma moved and John Texeira seconded to dismiss this case on the basis that there was insufficient evidence of commingling of funds or that Julian Buttons acted as an independent broker. Motion carried unanimously.

RE-76-9 John D. Fulton

In response to the Commission's directive, John Fulton appeared for the informal conference represented by his attorney, Paul Maki. The intent of the conference was to discuss Billy Watson's complaint that Fulton did not satisfactorily repair the intercom as written in the contract.

Fulton implied that he did fix the intercom, but the problem is with the wiring itself and he agreed to fix the intercom and not the wiring in the apartment. They felt that it was not their responsibility to see that the intercom was in working condition, and that this was a matter for the courts to decide.

At the conclusion of the discussion, Chair advised Fulton and his attorney that this matter would be taken under advisement and they would be notified of the decision shortly thereafter. They were then excused.

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded that first Fulton be informed that the Commission defines repair "to be in operating condition", and give him the opportunity to repair the intercom; if he fails to comply, then a formal hearing be held. Motion unanimously carried.

CON-75-3 Harbor Lights

The Executive Secretary reported that as directed he wrote Honofed Corp. to remind it that the Commission is awaiting a reply as to how it intends to satisfy the complainant.

New Business: Licensing

CORPORATION

Amfac Development Corp. - 700 Bishop St., 20th Floor, Honolulu
 John P. Millar-pb
 Bradley-McCarter Ltd. - 32 Merchant St., Honolulu
 Chlois L. McCarter-pb
 J. K. Hayase Investments, a Nevada Corp., 745 Fort St., #2118, Hon.
 James K. Hayase-pb
 Mikilana Inc. - 130 Merchant St., #1804, Honolulu
 Gordon J. Mau-pb
 Mott-Smith Enterprises Inc. - 1441 Kapiolani Blvd., #1305, Hon.
 Mary A. Rust-pb
 Quality Properties Inc. - 85-876 Farrington Hwy., #204, Waianae
 David S. Chun-pb

Following discussion, John Texeira moved and Tadayoshi Ishizu seconded to approve the above applications for corporate licenses. Motion carried unanimously.

BRANCH OFFICE

Hirota, Griffin & Associates, Inc., Br-1 - 126 Banyan Way, Hilo
 Lillian K. Pedro-bic
 Resort Marketing Associates Inc., Br-1 - 888 Front St., Lahaina
 E. Verna Trimble-bic

Century Pacific Inc., Br-1 - 1956 Ala Moana Blvd., Honolulu
James A. Shimozono-bic

Tadayoshi Ishizu moved and Edwin Shiroma seconded to approve the applications for branch office licenses. Motion carried unanimously.

TRADENAME

Moku Nui Realty - 2570 Kalakaua Avenue, Honolulu
John D. Morgan, dba
Realty World - 841 Bishop Street, #2118, Honolulu
Sheldon Soosman, dba
Patti Wagstaff, Broker - 419 Waiakamilo Road, #201, Honolulu
Patricia A. Wagstaff, dba
West Maui Realty - 888 Front St., Lahaina, Maui
Dale W. McGowan, dba

Edwin Shiroma moved and Tadayoshi Ishizu seconded for approval of the above applications for tradenames. Motion carried unanimously.

CHANGE OF CORPORATE NAME

Wilcox Corp. (formerly Wilcox Development Corp.)

Edwin Shiroma moved and Tadayoshi Ishizu for the acceptance of the above application for change of corporate name. Motion carried unanimously.

Miscellaneous: Request of Violet King to Speak to the Commission

Violet King and Harry Hettrington appeared as the last order of business was being concluded. Chair asked the reasons for their presence. Violet King replied that she is still interested in getting her broker's license back and requested that her case be reopened. Chair repeated what he informed her at the last meeting--that the Commission will not rehear her case as it firmly stands by the Attorney General's opinion that her request is 8 years too late, and that she should appeal to the courts.

1977 NARELLO Western District Meeting

Chair and the Executive Secretary informed of the latest arrangements made for the 1977 NARELLO meeting to be held in Honolulu in June.

Meeting Schedule for Year 1977

A decision was reached to have Commission meetings held on the last Friday of each month for 1977.

Commission's Policy Decision on 1976 Amendments to Chapter 514

The Executive Secretary stated that he has received five letters from people in the insurance business requesting for clarification of the 1976 amendments to Chapter 514 as to how much insurance is needed and what kind.

During the discussion, it was suggested that copies of these amendments be sent to the five people, and they be informed that the new law is quite explicit and must be adhered to. Further, if they are not satisfied with the amendments, they should contact their legislators.

Correspondence: Letter from Andrew Loo (Critique of Broker Exam)

The Executive Secretary read a letter from Andrew Loo, which gave a critique of the broker examination.

The Executive Secretary was directed to send a copy to ETS for information and to so advise Andrew Loo.

Announcements: None

Date of

Next Meeting: Thursday, December 16, 1976 (To be held in the Board Room)

Adjournment: Edwin Shiroma moved and Tadayoshi Ishizu seconded to adjourn the meeting. Motion carried unanimously at 3:10 p.m.

Taken and recorded by:

Peggy Lau
Peggy Lau, Secretary

Approved by:

Yukio Higuchi
YUKIO HIGUCHI, Executive Secretary

11/24/76