

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

MINUTES OF MEETING

Date: Friday, August 26, 1977

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

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

Russel Nagata, Deputy Attorney General  
Yukio Higuchi, Executive Secretary

John W. Reilly, Former Educational Consultant  
Wesley Park, Associate Professor, U. of H. Continuing Education  
Joseph Choy, Director, Small Business Management Program, U. of H.  
Donald Bell, Professor, U. of H. College of Business Administration  
George "Red" Morris, Real Estate Licensee

Call to Order: There being a quorum, Chairman Young called the meeting to order at 9:10 a.m.

The Executive Secretary apprised that the agenda for today's meeting was filed on Monday, August 22, 1977, at the Lt. Governor's office in compliance with the Sunshine Law.

Introduction: Wesley Park introduced Joseph Choy, the newly appointed Director of Small Business Management Program, U. of H.

Minutes: Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the minutes of July 29, 1977 as circulated. Motion carried unanimously.

Committee Reports: Real Estate Education Advisory Council

Covy E. Blackmon's Application for Real Estate Instructor's Certification

John Texeira moved and Ralph Yagi seconded to approve Covy E. Blackmon's application for a real estate salesman instructor certificate, provided, he submits verification that he has been licensed as a private instructor by the Department of Education. Motion carried unanimously.

Establishment of Real Estate Chair at U. of H.

The Executive Secretary reported that he has not received any progress report from the U. of H. since the July 1977 meeting.

S.B.M.P. Advanced Real Estate Courses

The Executive Secretary reported that a copy of the contract form approved by the Attorney General's office was forwarded to S.B.M.P. for review and approval. The contract form was discussed, and the Real Estate Commission members, Wesley Park and Joseph Choy of S.B.M.P., were in agreement that the intent of Paragraph 20 (net profit) is restricted to the \$7,500 "seed money." Original contract was given to Wesley Park to execute and return to the Commission.

Real Estate Education Officer

The Executive Secretary reported that there was no progress made on this matter inasmuch as Mr. Okaji had just returned to work and he has not had an opportunity to study the job description for the educational officer.

Commission Sponsored Day Seminars

The Commission was presented with the invoices received from S.B.M.P. for conducting the 1976 Tax Act Seminar at Kauai, Maui, Hilo, Kona and Oahu.

Edwin Shiroma moved and John Texeira seconded to authorize payment as shown on invoice. Motion carried unanimously.

Discussion was held to determine whether those attending the seminars should be assessed more to help defray more of the expenses for these seminars. After some discussion, Joseph Choy, the director of S.B.M.P., was requested to submit analysis on future seminars.

R.E. Consultant's Report

John Reilly appeared at the meeting prepared to discuss his final report with the Commission. The Commission decided to discuss the final report with consultant at the next Laws and Rules Review Committee meeting scheduled for September 22, 1977.

At the request of Reilly, Mary Savio moved and John Texeira seconded that the final 10% payment due consultant will be made with the understanding and concurrence of consultant to meet, answer and discuss with the Commission on any question which may arise with respect to his final report. Motion carried unanimously.

Professor Donald Bell requested a copy of Reilly's final report. The Commissioners were in agreement to take no action on Professor Bell's request at this time.

#### Laws and Rules Review Committee

Committee Chairman Edwin Shiroma reported that the Committee met again on August 25, 1977 to discuss Chapter 20 (Commission's Rules and Regulations). He announced that the Committee plans to meet again on September 22, 1977, at the Educational Room of Tropic Shores Realty, Ltd.

#### Real Estate Recovery Fund

The Executive Secretary reported that Legal Counsel Sidney Ayabe had forwarded a copy of the Order Directing Payment from the Real Estate Recovery Fund and requested payment of \$10,000 in the Matter of Badua, et al. vs Romeo Esperanza, et al (Civil No. 47004).

Edwin Shiroma moved and Tadayoshi Ishizu seconded to authorize payment of \$10,000 from the Real Estate Recovery Fund. Motion carried unanimously.

#### Attorney General's Report

Russel Nagata stated that the only matter he would like to report on pertains to Michael Hannon's letter, which is the next matter on the agenda.

#### Business Out of Minutes:

#### Letter of Michael T. Hannon

A copy of Russel Nagata's legal opinion on this matter was passed out to each Commissioner.

#### Begin Executive Session:

John Texeira moved and Edwin Shiroma seconded to go into executive session at 10:40 a.m. to consult on some legal points regarding Nagata's opinion. Motion carried unanimously.

#### End of Executive Session:

At 11:05 a.m., John Texeira moved and Edwin Shiroma seconded to go out of executive session and back into regular open meeting. Motion unanimously carried.

After some discussion on this matter, Mary Savio moved and John Texeira seconded that the Executive Secretary notify Hannon that the final public report on Mauna Luan, Registration No. 581, has been extended, and they need not give rescission notices to those purchasing during the expiration period of the final report, provided that there has been no material changes. Motion carried unanimously.

Investigations: RE-76-128 Aiea Lani Corp.

This matter was not on the agenda for this meeting. Mary Savio moved and Tadayoshi Ishizu seconded to discuss this matter at this meeting in accordance with the Sunshine Law. Motion carried unanimously.

Executive Secretary read Mr. Daniel Ukishima's letter requesting an opportunity to appear before the Commission to present evidence by way of testimony regarding this matter.

John Urner moved and Tadayoshi Ishizu seconded to invite Daniel Ukishima to appear before the September meeting of the Commission. Motion carried unanimously.

RE-76-147 John J. Barabe (Supplementary Report)

Mary Savio moved and John Urner seconded to dismiss this complaint as recommended by Departmental Complaint Officer, Bob Klein, and send a warning letter to Barabe informing him that investigation revealed certain improprieties, which, if continued would have resulted in a disciplinary hearing and possible license revocation. Motion carried unanimously.

RE-77-28 The McCormack Corp., dba Mike McCormack, Realtors (Supplementary Report)

Mary Savio moved and John Urner seconded to hold an informal conference with the principal broker of McCormack Management Group, Ltd., and Dale P. Madden, and other persons involved in this matter. Motion carried unanimously.

RE-77-52 Schrader Realty, Inc.

Mary Savio moved and John Urner seconded to (1) dismiss the complaint on the "rental reduction plan" due to insufficient evidence of violation; and (2) write to Schrader to notify him of the possible violation of Section 467-12, H.R.S., and Rule 1.2(c) of the Commission's rules and regulations, and that the Commission will not issue his license to the present address until such time as he submits evidence that he had resolved the zoning problem with the City and County of Honolulu, or he relocates his office in a properly zoned address. Motion carried unanimously.

RE-77-74 Glennafaye M. Berryhill

John Urner moved and Ralph Yagi seconded to dismiss this complaint due to insufficient evidence that Respondent had tampered with the contract. Motion carried unanimously.

RE-77-55 Kanaloa Realty and Property Management

Ralph Yagi moved and Tadayoshi Ishizu seconded to dismiss this complaint as there appeared to be no impropriety on the part of Respondent, and furthermore, adjustment had been made in the accounting method of Respondent to eliminate confusion between the accounts of the several condominium projects managed by Respondent. Motion carried unanimously.

RE-77-78 Alfred J. Toulon, Jr., dba Al Toulon, Realtor

Investigation revealed that broker did not withdraw the offer of buyer after seller had accepted the offer, but, in fact, the DROA was voided on the basis that buyer was unable to acquire financing. The offer was subject to buyer receiving adequate financing by November 24, 1975, from Pioneer Savings and Loan. Buyer had applied for financing at Pioneer Federal Savings and Loan, and she was informed that she could not qualify for a loan unless buyer's parents co-signed the loan, which they refused to do.

John Texeira moved and Tadayoshi Ishizu seconded to dismiss this complaint as there appeared to be no violation of our real estate licensure law or rules and regulations. Motion carried unanimously.

RE-77-90 Raymond Aiu

Tadayoshi Ishizu moved and John Urner seconded to dismiss this complaint with a letter of warning to Respondent for violating Rule 1.11(a). Motion carried unanimously.

RE-77-103 Princeville Management Co.

John Urner moved and John Texeira seconded to dismiss this complaint as there appeared to be no violation of our real estate licensure law or rules and regulations. Motion carried unanimously.

RE-77-105 Ronald G. Reynolds, dba R. G. Reynolds and Associates

Ralph Yagi moved and John Texeira seconded to hold a formal hearing for violation of Sections 467-12 and 14(13), H.R.S., and Rules 1.3(a), 1.5(b), and 1.6 of the Commission's rules and regulations; and to designate the Departmental Hearings Officer as the hearings officer for this hearing. Motion carried unanimously.

New Business: Licensing

CORPORATION

Liz Benton, Inc. - 1024 Mapunapuna St., Honolulu  
Elizabeth L. Benton, pb

Mary Savio moved and John Texeira seconded to approve. Motion carried unanimously.

Champion Realty, Inc. - 1020 Keeaumoku St., #303, Honolulu  
Melvin R. Hardy, pb

John Urner moved and Tadayoshi Ishizu seconded to approve application. Motion carried unanimously.

Ester Chu Realty, Incorporated - 1215 Hunakai St., #203, Honolulu  
Ester C. S. Chu, pb

Ralph Yagi moved and Mary Savio seconded to approve application. Motion carried by a vote of 5 ayes and 1 abstention (Urner).

Hale Koa Realty, Inc. - 1024 Mapunapuna St., Honolulu  
Darrell R. Large, pb

Mary Savio moved and Ralph Yagi seconded to approve application. Motion carried unanimously.

Hawaii Realty, Inc. - 1314 S. King St., #717, Honolulu  
Jane Laverty, pb

Mary Savio moved and Tadayoshi Ishizu seconded to deny on grounds that corporate name is too similar to the tradename of Peter Namkoong, dba Hawaii Realty Co. Motion carried unanimously.

Doug Huffman & Co., Inc. - 309-A Hahani St., Kailua  
Douglas T. Huffman, pb

Ralph Yagi moved and Mary Savio seconded to approve. Motion carried unanimously.

Kauai Properties, Inc. - 4363 Rice St., Bx 3209, Lihue  
Michael J. Noonan, pb

John Texeira moved and Tadayoshi Ishizu seconded to approve. Motion carried unanimously.

Kaunakakai Realty Corp., - 657 Kapiolani Blvd., #9, Honolulu  
Howard M. K. Kim, pb

Ralph Yagi moved and John Texeira seconded to approve. Motion carried unanimously.

Charles Kimura Realty, Inc. - 1150 S. King St., #901-C, Honolulu  
Charles H. Kimura, pb

John Urner moved and Tadayoshi Ishizu seconded to approve. Motion carried unanimously.

Palm Planning Corporation, dba A. M. Real Estate - 1833 Kalakaua  
Hiroshi H. Maeda, ph Ave., #908, Honolulu

John Texeira moved and Ralph Yagi seconded to approve. Motion carried unanimously.

Sloan Realty, Inc. - 1314 S. King St., #756, Honolulu  
John C. Sloan, pb

Mary Savio moved and John Urner seconded to approve. Motion carried unanimously.

Sunlight Realty Co., Inc. - 675 No. King St., Honolulu  
Susumu Fujii, pb

Mary Savio moved and John Texeira seconded to approve, and Executive Secretary to write to applicant to suggest changing of name as public may confuse corporation with Sunlight Enterprises, Inc., a existing licensee. Motion carried unanimously.

Mike Watt Realty, Inc. - 4444 Rice St., #202-B, Lihue, Kauai  
Michael James Watt, pb

John Texeira moved and John Urner seconded to approve. Motion carried unanimously.

TRADE NAME

Jardine Real Estate - Mamalahoa Hwy, Unit 3, Kamuela  
William S. Jardine, dba

Tadayoshi Ishizu moved and John Texeira seconded to approve. Motion carried unanimously.

CHANGE OF CORPORATE NAME

Realty Executives-Hawaii, Inc. - 4211 Waiialae Ave., #307, Honolulu  
Kenneth W. Harris, ph (formerly Harris Realty, Inc.)

John Urner moved and Ralph Yagi seconded to approve. Motion carried unanimously.

RESTORATION OF FORFEITED LICENSE - Past 2 years

Robert K. Cordeiro

Mary Savio moved and John Urner seconded to defer action on this application and invite Cordeiro to appear before the Commission to discuss his application. Motion carried unanimously.

Questionable Application

Schrader Realty, Inc. (Change of Business Address)

This matter was discussed and acted on earlier under the heading of investigations. See action under RE-77-52.

Miscellaneous: House Concurrent Resolution #128, House Draft #1

This matter was not on the agenda for this meeting. John Urner moved and Tadayoshi Ishizu seconded to discuss this matter at this meeting in accordance with the Sunshine Law. Motion carried unanimously.

George "Red" Morris was asked to give a status report on this legislative resolution which calls for a study on the advisability and feasibility of establishing a Real Estate Division within the Department of Regulatory Agencies. The resolution further calls for the expense of the study to be funded from the Real Estate Education Fund.

Ralph Yagi moved and John Urner seconded to approve an expenditure up to \$1,500 from the Real Estate Recovery Fund should the Commission receive such a request to finance the drafting of the study specification proposed by the Legislative Reference Bureau. (This amount is to take care of the specifications only. This does not cover the expense of the actual study.) Motion carried unanimously.

New Licenses of McCormack Hawaii, Ltd. and McCormack Maui, Ltd.

Mike McCormack and Dayton Cople appeared before the Commission to discuss this matter. McCormack gave an explanation of his multiple corporation. McCormack requested that he be allowed to use the dba "Mike McCormack, Realtors" for each of his multiple corporations. After a question and answer period, they were advised that the Commission will take the matter under advisement and would notify them of its decision.

John Texeira moved and Tadayoshi Ishizu seconded to defer action until such time that the Attorney General can advise the Commission of any legal involvement and entanglement. Motion carried unanimously.

RE-76-110 and RE-76-127 James Singleton

By letter dated August 12, 1977, Robert Jinks, attorney for James S. Singleton, had requested for 30 minutes to present two settlement proposals in reference to two complaints filed against his client. The Executive Secretary reported that Robert Jinks had called at 11:45 a.m. to inform the Commission that he would be unable to make an appearance as he was coming down with the flu. He requested that his meeting with the Commission be postponed to the next Commission meeting.

Mary Savio moved and Tadayoshi Ishizu seconded to postpone Robert Jink's meeting to September 23, 1977. Motion carried unanimously.



1977 NARELLO Conference, Atlanta, Georgia

Ralph Yagi moved and John Texeira seconded that the following persons shall represent the Commission at the 1977 NARELLO Conference at Atlanta, Georgia, in the following order:

1. Executive Secretary
2. Ah Kau Young
3. Edwin Shiroma

In addition to the foregoing, Mary Savio shall also attend the conference, provided, that E.T.S. provide the funding for her fare. Motion carried unanimously.

Correspondence: Letter from David Sirota, Ph.D.

David Sirota wrote to the Commission giving notice that he is interested in applying for the Real Estate Chair to be established at the U. of H.

Mary Savio moved and John Texeira seconded to forward David Sirota's letter to Dean Heenan, College of Business Administration, for consideration when considering applicants for the Real Estate Chair. Motion carried unanimously.

Letter from Lillian Bonneau De La Becasse

Lillian Bonneau De La Becasse wrote to inform the Commission of some problems Jere G. Oren, a licensee of ours, had with the Insurance Commissioner's office in Boston, Massachusetts.

After discussion, Edwin Shiroma moved and John Urner seconded to have the Executive Secretary send an inquiry to the Massachusetts Real Estate Commission for a complete report of Oren's real estate license status in Massachusetts. Motion carried unanimously.

Announcement: Salary Increase for Executive Secretary

Upon being reminded by John Urner, Chairman Ah Kau Young announced that he will speak to Director Wayne Minami to inquire as to what happened to the Commission's recommendation to increase the Executive Secretary's salary.

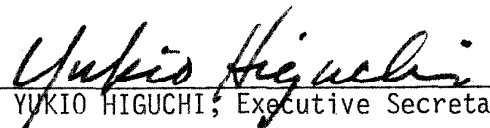
Date of Next Meeting:

The Commission members were in agreement to move the next meeting date from September 30, 1977 to September 23, 1977, inasmuch as the September 30th date will conflict with the Hawaii Association of Realtors annual conference.

Adjournment:

There being no further business, the meeting was adjourned at 4:00 p.m. by Chairman Ah Kau Young.

Taken and recorded by:

  
 YUKIO HIGUCHI, Executive Secretary