

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

MINUTES OF MEETING

Date: Friday, October 28, 1977

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

Present: Ah Kau Young, Chairman  
Mary V. Savio, Vice Chairwoman  
Edwin H. Shiroma, Member  
John D. Texeira, Member  
Ralph S. Yagi, Member  
  
Yukio Higuchi, Executive Secretary  
Saeko Whang, Secretary  
Russel Nagata, Deputy Attorney General  
R. Brian Tsujimura, Deputy Attorney General  
Robert Klein, Information and Complaints Officer  
Alvin Yamamoto, Investigator

John Reilly, Former Educational Consultant  
Donald Bell, Professor, U. of H., College of Business Admin.  
Joseph Choy, Director, Small Business Management Program, U. of H.  
Pauline Daniel, Applicant for Broker Exam  
Mike McCormack, Realtor  
Dale Madden, Mike McCormack Realtors  
Kats Ohama, Broker  
Edwin Yost, Salesman  
Jack Paik, Attorney representing Hill & Co.  
Joseph Costello, Applicant  
Mrs. Richard Yoder, Complainant  
Crocker Liu, Student  
Violet King, Observer

Absent: Tadayoshi Ishizu, Member  
John M. Urner, Member

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

The Executive Secretary apprised that the agenda for today's meeting was filed on Monday, October 24, 1977, at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Edwin Shiroma moved and Mary Savio seconded to approve the minutes of September 23, 1977, as circulated. Motion carried unanimously.

Committee  
Reports:

Real Estate Education Advisory Council

Application for Certification as Real Estate Instructor

Alexander Yukio Ikeda  
Raquel H. A. Ikeda

Mary Savio moved and Edwin Shiroma seconded to approve certification of (1) Alexander Yukio Ikeda, as a special math instructor for broker and salesman courses; and (2) Raquel H. A. Ikeda, instructor for broker and salesman courses, subject to receipt of evidence that they are licensed as instructors by the Office of Accreditation and Private School Licensing, Dept. of Education. Motion carried unanimously.

Application for Accreditation of Real Estate School

Ikeda School of Real Estate

On the same motion, the application of Ikeda School of Real Estate was approved for accreditation provided proper documents are submitted from the Department of Education evidencing licensure to conduct a private real estate course and to clarify whether they intend to teach broker and salesman classes at the same time. Motion carried unanimously.

Establishment of Real Estate Chair at U.H.

The Executive Secretary reported that the contract for Establishment of Real Estate Chair was finally signed, sealed and payment of \$50,000 approved.

Professor Bell reported that he has advertised nationally and locally for prospective applicants for the position but said it is going to take some time before he can come up with a list of names and recommendations.

In the meantime the Commissioners questioned what happens to the money appropriated and not in immediate use.

Professor Bell assured the members that the money will be deposited into an interest bearing account credited to the Real Estate Chair.

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

Joseph Choy, Director of S.B.M.P., U. of H., reported that the executed contract would be delivered to the Commission soon, he has met with instructors and the program is pretty well set and will probably start in late January or February 1978.

He also circulated his recommended budget and its alternatives for future Commission sponsored seminars.

R. E. Education Officer

The Executive Secretary reported that Licensing Administrator finally had an opportunity to review the R.E. Education Officer's job description and added that he had to designate how many percent would be devoted to certain scope of work before processing it through the Personnel Office.

As there has been a change in department's philosophy, this position will fall under the general supervision of the Licensing Administrator instead of the Executive Secretary.

Inasmuch as this position is funded from the real estate recovery fund and, as trustees of this fund, the Commissioners expressed that the person who is hired should be concerned with real estate matters only.

Attorney General's Report

Deputy Attorney General Russel Nagata stated that he did not have any report at this time.

Laws and Rules Review Committee

Rules Review Committee Chairman Edwin Shiroma reported that his committee met on October 27, and at present are reviewing in the area of experience and qualifications.

There will be no Rules Review Committee meeting in November. The next meeting will be on call until further advisement.

Business Out  
of Minutes:

Mike McCormack's Request to Use Name "Mike McCormack (a McCormack Corporation)

Mike McCormack appeared to discuss the above matter.

After the question and answer period, Mike McCormack stated he will submit a proper request in writing to the Commission.

Mary Savio moved and Edwin Shiroma seconded to approve request to use of name subject to receipt of letter. Motion carried unanimously.

Pauline Daniel, Broker License Candidate

Mary Savio moved and Ralph Yagi seconded to add this matter to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Upon staff review of her application, Pauline Daniel had been denied to sit for the December 3, 1977 broker exam inasmuch as she did not fulfill the experience requirement. Pauline Daniel appeared on her own accord to present a letter from Rodney Inaba evidencing that she did escrow work for more than a year.

Chair thanked Daniel for appearing and stated the matter will be under advisement and she will be notified.

After discussion, Ralph Yagi moved and John Texeira seconded to waive 1 3/4 months of her experience requirement. Motion carried unanimously.

Investigations: RE-77-98 Kats Ohama, Ltd. and Edwin Yost

Both Kats Ohama, broker, and Edwin Yost, salesman, appeared for a question and answer period to explain the mitigating circumstances which led to their not getting a properly signed listing.

Chair thanked them for appearing and stated that the matter will be kept under advisement.

Following discussion, Edwin Shiroma moved and Ralph Yagi seconded to dismiss complaint on the basis that there was no violation of the law, and to send a letter of warning to Kats Ohama to be more careful in future transactions to avoid practices which could be damaging to the public. Motion carried unanimously.

Executive Session:

Mary Savio moved and Edwin Shiroma seconded to go into executive session to discuss the following complaints: RE-76-128 Aiea Lani Corp., RE-77-28 McCormack Management Group, Ltd., RE-77-110 and 76-127 James Sandy Singleton, RE-147 John J. Barabe, RE-77-52 Schrader Realty, Inc. and RE-77-105 R. G. Reynolds & Associates. Motion carried unanimously. (11:20 a.m.)

Edwin Shiroma moved and John Texeira seconded to adjourn the executive session. Motion carried unanimously (2:00 p.m.)

Regular Meeting:

Edwin Shiroma moved and John Texeira seconded to reconvene the regular meeting. Motion carried unanimously.

RE-76-128 Aiea Lani Corp.

At last month's meeting this matter was deferred for discussion with legal counsel.

Chair inquired of Mrs. Yoder, who made an appearance, if she had any additional data to submit. She stated that they had no opportunity to know about the sound proofing until the neighbors had moved in months after they had purchased the unit.

Chair thanked her and stated that she will be kept advised.

Deputy Attorney General Rick Tsujimura advised that the Yoders do not have a right to any reconsideration of Commission's earlier decision; that the Commission is the party in interest and is now the complainant against the Developer.

Ralph Yagi moved and John Texeira seconded to reaffirm its proposed offer of settlement dated August 15, 1977 and to send a letter to the Developer to comply with the settlement proposal by November 15, 1977. Motion carried unanimously.

RE-77-28 McCormack Management Group, Ltd.

This matter was deferred from last month's meeting.

Mike McCormack, who had appeared in another matter mentioned earlier, stated that this matter is a moot question as they have curtailed their resort condominium management business on Kauai.

After discussion, Mary Savio moved and Edwin Shiroma seconded to dismiss complaint as McCormack Management Group, Ltd. have gone out of business. Motion carried unanimously.

RE-76-127 and 77-110 James Sandy Singleton

(RE-76-127) Robert Klein, prosecuting attorney in this case, in his memorandum dated October 27, 1977, gave a recap of what has entailed and recommended dismissal of case.

Mary Savio moved and Ralph Yagi seconded to accept counsel's recommendation to dismiss. Ayes: Mary Savio, Ralph Yagi, Ah Kau Young and Edwin Shiroma. Abstained: John Texeira (due to possible conflict of interest). Motion carried.

(RE-77-110) Committee had recommended that Commission reject Bob Jink's settlement offer and proceed to a hearing.

Mary Savio moved and Ralph Yagi seconded to proceed with a hearing. Ayes: Ah Kau Young, Mary Savio, Edwin Shiroma and Ralph Yagi. Abstained: John Texeira (due to possible conflict of interest). Motion carried.

CON-76-12 Maunaihi Developers

As this matter is not on the agenda, Edwin Shiroma moved and Mary Savio seconded to add this matter to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Executive Session:

Edwin Shiroma moved and Ralph Yagi seconded to go into executive session. Motion carried unanimously. (2:40 p.m.)

At 2:50 p.m., Edwin Shiroma moved and Ralph Yagi seconded to move out of executive session. Motion carried unanimously.

Regular Meeting:

Edwin Shiroma moved and Ralph Yagi seconded to reconvene regular meeting. Motion carried unanimously.

Edwin Shiroma moved and Ralph Yagi seconded to act on counsel's recommendation by setting a deadline of November 10, 1977 for Respondent Daniel Matsukage to comply to Commission's decision and any extensions will be handled by Deputy Attorney General Russel Nagata. Motion carried unanimously.

RE-76-147 John J. Barabe

Edwin Shiroma moved and John Texeira seconded to accept recommendation of Committee to reply to Barabe's letter and inform him that our action still stands and that the warning letter has not been made public, therefore, there has been no public censure against him. Motion carried unanimously.

RE-77-52 Schrader Realty, Inc.

John Texeira moved and Edwin Shiroma seconded to accept Committee's recommendation to acknowledge receipt of the letter and place it on file. As it behooves the Commission to sit and wait, a letter to be written asking Schrader to resolve the zoning requirements with the City & County within a reasonable time and for Schrader to give us a status report. Motion carried unanimously.

RE-77-105 R. G. Reynolds & Associates

This matter was brought up for reconsideration inasmuch as Mr. Okaji, Licensing Administrator, had recommended sending Respondent a warning letter and to comply.

After due consideration, Mary Savio moved and Ralph Yagi seconded to accept Committee's recommendation to go ahead and hold a formal hearing in view of his attempt to deceive the Commission. Motion carried unanimously.

RE-77-44 Robert R. Miller and Herbert K. Horita Realty, Inc., Br. -2

Edwin Shiroma moved and Ralph Yagi seconded to dismiss complaint on basis that there appeared to be no violation of the license law and rules. Motion carried unanimously.

RE-77-60 James F. Gregory, dba All Islands Real Estate

Ralph Yagi moved and Edwin Shiroma seconded to accept the recommendation of Committee to dismiss case and Complainant be notified of reason for dismissal. Motion carried unanimously.

RE-77-89 Andrew Aiu, dba AA Realty

Edwin Shiroma moved and Ralph Yagi seconded to dismiss case as investigation indicated that Respondent had made reasonable effort to notify buyer and the money was refunded. Motion carried unanimously.

RE-77-119 Micheline Okazaki

Ralph Yagi moved and Edwin Shiroma seconded to dismiss complaint as no violation was found. Motion carried unanimously.

New Business: LICENSING

CORPORATION

Rod Burgess Realty, Inc. - 210 Ward Ave., #122, Honolulu  
Rodney K. Burgess, III, pb

Exclusive Properties, Inc. - 750 Amana St., #210, Honolulu  
Michael Chamberlain, pb

GRK Ltd., dba New Concept Realty - 33 Lono Ave., #380, Kahului  
Gary R. Kenar, pb

Rand Pacific, Inc. - 444 Hobron Lane, #405, Honolulu  
Randall S. J. Wong, pb

Services, Unlimited, Inc., - 35 Kainehe St., Kailua  
Frank M. Paz, pb

SiCo Realty, Inc. - 700 Bishop St., #412, Honolulu  
Sidney K. Ayabe, pb

Joseph Kealoha, Inc. - 250 A Waiehu Beach Rd., Wailuku  
Joseph G. Kealoha, Jr., pb

Poipu Beach Realty, Inc. - RR Rt 1, Box 73, Koloa  
Arthur G. Sheldon, pb

Rainbow Realty, Inc. - Pacific Trade Center, #938, Honolulu  
Robert R. Cloutier, pb

Ralph Yagi moved and John Texeira seconded to approve the above applications for corporate license. Motion carried unanimously.

Hill & Co. - Financial Plaza of the Pacific - #1104, Honolulu  
Myra I. Fisher, pb

Joseph Costello and Jack Palk appeared before the Commission to discuss the above matter.

After the question and answer period, Chair thanked both for appearing and said the matter will be taken under advisement.

Following discussion, Mary Savio moved and Ralph Yagi seconded to approve Hill & Co. on the basis that "Hill" does not represent any person's surname. Motion carried unanimously.

Transamerica Realty Corporation - 190 So. King St., #1414, Hon.  
Robert A. Haaversen, pb

Ralph Yagi moved and Edwin Shiroma seconded to disapprove the application of Transamerica Realty Corporation on the basis that there is a similarity between the names Transamerica Properties, Inc. Motion carried unanimously.

BRANCH OFFICE

Bennet M. Baldwin, dba Baldwin Realty - Kihei Town Center, #111  
Royal W. Treadway, bic Bx 1400, Kihei

Bennet M. Baldwin, dba Baldwin Realty - Lahaina Shopping Center,  
Clifford N. Farrar, bic Bx 1744, Lahaina

Aaron M. Chaney, Inc. - Kuakini Professional Center, Kuakini Hwy,  
Samuel A. Moore, bic Kailua-Kona

Island Realty - 98-1277 Kaahumanu St., Aiea  
Ernest K. Dias, bic

Edwin Shiroma moved and Ralph Yagi seconded to approve the above applications for branch offices. Motion carried unanimously.

TRADENAME

Atlas Realty - 1150 So. King St., #501, Honolulu  
Sonny S. S. Lee, dba

Foster Associates - 700 Bishop St., #1114, Honolulu  
Edmund F. Fitzsimmons, dba

Dickson Hoogs Realty - 75-5831 Kahakai Rd., Kailua-Kona  
Dickson Hoogs, dba

Michael Howden Real Estate - 3669 Baldwin Ave., Makawao  
Michael S. Howden, dba

Investment & Residential Services - 1441 Kapiolani Blvd., #909, Hon.  
Benjamin Y. S. Zane, dba

JW Realty - 190 S. King St., #2310, Honolulu  
James E. Whitfield, dba

Mackin & Associates - 505 Front St., Lahaina  
Joseph A. Mackin, dba C & H Realty

Mirikitani Realty - 205 Merchant St., #10, Honolulu  
Marian Mirikitani, dba

Territorial Realty - 750 Amana St., #210, Honolulu  
Francis A. Holmes, dba Aina Makamae Realty

Valdez Realty - 2119 N. King St., #203, Honolulu  
Rosito P. Valdez, dba

Veterans Realty - 98-084 Kam Hwy, #302, Aiea  
James T. Haro, dba

Mary Savio moved and Ralph Yagi seconded to approve the above applications for tradenames. Motion carried unanimously.

Restoration of Forfeited License

Raymond W. S. Chun

Following discussion, Mary Savio moved and Ralph Yagi seconded to defer the matter and invite Raymond Chun to Commission's meeting on November 29, 1977 to discuss this matter. Motion carried unanimously.

Agnes L. Eberhart

After discussion, Edwin Shiroma moved and Ralph Yagi seconded to defer the matter and ask Agnes Eberhart to Commission's next meeting to discuss the matter. Motion carried unanimously.

Charles N. Kawauchi

After due consideration, Edwin Shiroma moved and Ralph Yagi seconded to deny Charles Kawauchi's application for restoration of forfeited real estate salesman license on the basis that it felt he is no longer qualified as a real estate salesman due to lengthy absence from real estate sales work. Motion carried unanimously.

Miscellaneous: Commission Policy on Licensees Advertising Own Property For Rent

A note from Licensing Administrator Dick Okaji was received suggesting that no investigation be made on complaints regarding licensees advertising of own property for rent and not identifying the name of the broker. He further recommended that Rule 1.11(a) be amended and has spoken to Chairman Young about it.

After discussion, the Commissioners concurred that in view of the fact that the provision is still in the rules and until such time the rules are amended, the Commission should continue to regulate it especially where sales of units are concerned.

Executive Secretary was directed to thank Mr. Okaji for the suggestion and inform him that this matter will be referred to the Rules Committee for consideration.

Department Policy Re: Investigators Attendance at Board and Commission Meetings

Communication from Dick Okaji dated September 30, 1977 regarding the above-captioned matter was distributed.

Real Estate Schools Association of Hawaii Critique on August 1977 Examination

Critique letter from Marshall F. Goldman, President of Real Estate Schools Association of Hawaii had been circulated. The general comment was the examination was too easy and requested the Commission forward a letter to E.T.S. for consideration toward development of a better and more appropriate licensing examination. The letter was accepted and filed.

As discussed at last month's meeting, a tentative examination schedule for 1978 was forwarded to Marshall Goldman, who replied that the dates selected were okay except for April 15, 1978. Inasmuch as the schools had already printed materials and brochures and rented space for April 22, 1978, he requested a change from April 15, 1978 to April 22, 1978.

Mary Savio moved and Edwin Shiroma seconded to adopt the following real estate examination dates:

April 22, 1978  
August 5, 1978  
November 25, 1978

Motion carried unanimously.

Crocker H. Liu's Request

Crocker Liu appeared before the Commission to obtain approval to reprint portions of his study which will be presented in the January 1978 edition of the Hawaiian Realtor magazine.

After discussion, Mary Savio moved and Ralph Yagi seconded to grant authorization for Crocker Liu to use the material in his special study subject to his submitting a copy first for Commission's review. Motion carried unanimously.

Correspondence: Dr. Philip S. Arthur's Letter

Letter from Dr. Philip S. Arthur, dated October 11, 1977, protesting against David Bartholomew, owner of Real Estate One, who had advertised two rentals zoned for single family dwelling was circulated.

After discussion, the members felt that the Commission has no jurisdiction over this matter but will have the staff look into it.

Real Estate Network Letter re: Franchising

Letter from Lawrence Green, President of Real Estate Network of Colorado, requesting information to establish his franchising business in Hawaii was circulated.

As this matter requires very serious thought, Mary Savio volunteered to meet with Green and the Executive Secretary and discuss and study the proposed operation. She also mentioned that when she attends the NARELLO Convention in November, she will seek information and get some input from other states.

Public Affairs Advisory Services, Inc., Letter re: Request for Survey Work

Milton K. Goto, Managing Director of Public Affairs Advisory Services, Inc., in his letter of October 18, 1977 requested the Commission provide information contained in the report "Characteristics and Performance of Real Estate Brokers and Salesmen in the Hawaiian Islands."

Executive Secretary stated that inasmuch as we have only a limited number of copies, he will be allowed to review the report at Commission's office.

Vitousek Real Estate Schools, Inc. Notice of Offering Correspondence Course

Letter from Paige Vitousek of Vitousek Real Estate Schools, Inc. notifying the Commission the intention to offer real estate broker and salesman prelicense courses in Hilo and the correspondence course for both salesman and broker candidates who reside in areas of the Big Island other than Hilo.

After discussion, Edwin Shiroma moved and Ralph Yagi seconded that she should comply with all the requirements for correspondence course prior to opening. Motion carried unanimously.

Videography, Inc. Letter

Letter from Scott Hershey, President of Videography, Inc. requesting approval of his video equipment and materials used by our accredited real estate schools.

The Commissioners agreed that the real estate schools should be directly contacted and to provide a list of our accredited schools to Hershey.

Date of Next Meeting:

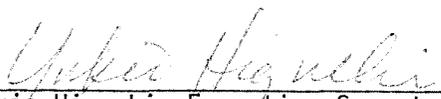
November 29, 1977, 9:00 a.m.  
Fourth Floor Ethics Commission Conference Room (Rm 403)  
1010 Richards Street, Honolulu

Adjournment: There being no further business, the meeting was adjourned at 4:35 p.m. by Chairman Ah Kau Young.

Taken and recorded by:

  
Saeko Whang, Secretary

Approved by:

  
Yukio Higuchi, Executive Secretary