

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

MINUTES OF MEETING

Date: Friday, March 31, 1978

Place: Board Room, Kamamalu Building  
1010 Richards Street, Honolulu, Hawaii

Present: Ah Kau Young, Chairman  
Mary V. Savio, Vice Chairwoman  
Tadayoshi Ishizu, Member  
Edwin H. Shiroma, Member  
  
Russel S. Nagata, Deputy Attorney General  
Allan Kawada, Deputy Attorney General  
R. Brian Tsujimura, Deputy Attorney General  
Darryl Y. C. Choy, Hearings Officer  
Robert G. Klein, Complaints & Information Officer  
Alvin Yamamoto, Investigator  
Yukio Higuchi, Executive Secretary  
Saeko Whang, Secretary

Joseph Choy, Director, Small Business Management Program, U. of H.  
Donald Bell, Professor, College of Business Admin., U. of H.  
Irene Jacobs, Educational Officer, Honolulu Board of Realtors and  
Hawaiian Association of Realtors  
Rhoda Feinberg, Education Director, Hawaiian Ass'n of Realtors  
Earl Lee, Director, Honolulu Board of Realtors  
Stanley Brilhante, Principal Broker of Estate Realty, Inc.  
Elcanore Drozd, Applicant requesting tradename  
Durrell Douthit, Attorney for Respondent Laura Light  
Robert Miller, Respondent  
Earl Sato, Attorney for Hamilton, Gibson, Nickelsen, Rush & Moore  
Robert Jinks, Attorney for James S. Singleton  
James S. Singleton, Respondent  
Alan Hayashi, Applicant for real estate salesman's license  
James Tsukayam, " " " " " "  
Violet King, Observer  
James Lau, Guest

Absent: Ralph S. Yagi, Member - Excused  
John M. Urner, Member - Out-of-State  
John D. Teixeira, Member

Call to Order: There being a quorum, Chairman Young called the meeting to order  
at 9:15 a.m.

The Executive Secretary apprised that the agenda for today's meeting  
was filed on Tuesday, March 28, 1978 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 February 24, 1978 as circulated. *Motion carried unanimously.*

Committee Reports: Real Estate Education Advisory Council

Real Estate Instructor Application of Clinton Childs

The Executive Secretary reported that Clinton Childs has taken the real estate instructor's examination for certification.

So far, Executive Secretary has completed correcting the multiple portion of the examination papers only and requested one or two commissioners to review and grade the essay portion.

Chairman Young selected Mary Savio and Edwin Shiroma to grade the essay portion of Clinton Child's exam papers.

The Executive Secretary requested that the Commission designate grading scores for the 120 multiple questions and to set a policy as to how many times an applicant may be allowed to retake exam and at what intervals.

Mary Savio moved and Edwin Shiroma seconded to give 1/2 point for each of the 120 multiple questions and 20 points each for the essay question making a total of 100 points. *Motion carried unanimously.*

After further discussion, Mary Savio moved and Edwin Shiroma seconded to allow an unsuccessful candidate to retake a second examination 60 days from the date of the first exam; and should the candidate fail his second exam, he may retake the examination at intervals of 12 months. *Motion carried unanimously.*

Professional School of Real Estate Request for Change of Classroom and New Classroom

Marshall Goldman, Principal of Professional School of Real Estate in his memorandum of March 23, 1978 requested school changes to: (1) establish and incorporate salesman's pre-license course on Maui; and (2) relocate classroom facilities on Oahu to 747 Amana St., Pacific Grand Hotel.

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the establishing of pre-license course on Maui and the relocation to 747 Amana St., Honolulu, subject to receipt of documentary evidence of D.O.E.'s approval. *Motion carried unanimously.*

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

The Executive Secretary read a report from Joseph Choy, Director of S.B.M.P. to Mr. Wayne Minami regarding Statewide Real Estate

Certification Program. In his report he requests a reasonable extension of time to complete the development of the Real Estate Investment and Tax course.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the report and to grant the request of 60 days additional time to get the "mechanics" in order. Report to be forwarded to the Director for review. Motion carried unanimously.

#### Real Estate Recovery Fund

Status Report - The Executive Secretary reported that as of February 28, 1978, there is a balance of \$547,005.21 in the Real Estate Recovery Fund and in the Real Estate Education Fund, there is a balance of \$401,727.33.

International Savings & Loan Ass'n Ltd. vs. Phillip Sang Boyle et al - Sidney Ayabe, legal counsel for the Commission's Real Estate Recovery Fund, directed payment of \$10,000 be made to Lester Saburo Yoshino and Lillian Yamamoto Yoshino. The Yoshinos have tried to locate Phillip Boyle through his stepfather, James Boyle, who indicated that he does not know the whereabouts of his stepson and advised the Yoshinos that Phillip Boyle has no assets.

Mary Savio moved and Edwin Shiroma seconded to direct payment of \$10,000 be made to the Yoshinos from the Real Estate Recovery Fund. Motion carried unanimously.

Joseph Culver vs. International Syndications, Inc. (Civil #40475) - The Executive Secretary read Sidney Ayabe's letter of March 24, 1978, requesting an opinion from the Attorney General regarding a judgment lien the Real Estate Commission has on a Kona property as a result of payment from the Real Estate Recovery Fund in Civil No. 40475.

#### Laws and Rules Review Committee

Edwin Shiroma, Chairman of Rules Committee, announced that the next Committee meeting will be held on April 27, 1978.

#### Attorney General's Report

Deputy Attorney General Russel Nagata did not have anything to report at this time.

#### Business Out Of Minutes:

RE-77-138 Marcia Brilhante (Informal Conference with Stanley Brilhante, Principal Broker of Estate Realty, Inc.)

Stanley Brilhante, father-in-law of Marcia Brilhante, appeared before the Commission members for a question and answer period. He stated that Marcia, who has gone back to the mainland, is no longer with Estate Realty, Ltd. and he has lost contact of her. Stanley Brilhante was questioned as to what happened to the rental

accounts that Marcia opened under *Sunnyside Rentals* and he replied, "I don't know." He was warned that, as principal broker of a real estate firm, he is held responsible for the actions of his sales-people. He was advised to study the license law and the Commission's rules and regulations and to comply with the law and rules.

CON-76-12 Maunaihi Developers (Status Report)

The Executive Secretary apprised the Commission members that he contacted Dan Matsukage, developer, regarding the settlement agreement waiver of release from the 2 owners and the Association of Apartment Owners.

Matsukage replied and said that he wrote to the Association in November 1977 but, to date, he has not heard from them. He again communicated sometime early this year with no progress or reply.

The Commissioners will defer this matter and take no further action until we hear from Matsukage.

RE-75-8 Hugh Menefee, Inc. (Status Report)

Executive Secretary reported that Russell Nagata, Deputy Attorney General, is still working with Galen Leong on the Commission's proposed settlement and Leong is near completing the conditions of the settlement.

Russell Lui's Request for Tradename

At the January 27, 1978 meeting, Commission denied Russell Lui's request to register "Paradise Realty" on the basis that there was a similarity to "Paradise Properties." The Commission recommended that he select a new tradename for consideration and Russell Lui had decided to comply and submitted "Ewa Green Realty."

Mary Savio moved and Tadayoshi Ishizu seconded to approve "Ewa Green Realty" as a tradename. Motion carried unanimously.

Eleanore Drozd Request for Tradename

Eleanore Drozd appeared before the Commission to request reconsideration for use of the tradename "Paradise Realty" which name was denied at the February 24, 1978 meeting.

Drozd stated that she will confine her advertising within the locale of the Big Island.

After the question and answer period, Mary Savio moved and Tadayoshi Ishizu seconded to approve the use of tradename "Paradise Realty." Motion carried unanimously.

Alan S. Hayashi's Application for Real Estate Salesman License

Alan Hayashi's application for real estate salesman's license had been denied at the January 27, 1978 meeting for filing beyond the 1 year period and Hayashi had requested to appear before the Commission. He agreed to forego a formal hearing in lieu of this informal conference.

After the question and answer period, Hayashi was advised that the matter will be taken under advisement that the matter will be taken under advisement.

James Tsukayama's Application for Real Estate Salesman License

James Tsukayama had requested an audience for reconsideration of Commission's decision denying his real estate salesman's license at the January meeting. He waived his rights to a formal hearing.

After the question and answer period, Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve applications for real estate salesman's license to James Tsukayama and Alan S. Hayashi. Motion carried unanimously.

Investigations: CON-77-17 The McCormack Management Group, Ltd.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the recommendation of Complaint Review Committee to hold a formal hearing and designated Department's Hearings Officer to hear the case. Motion carried unanimously.

RE-77-150 Dahlas J. Antoku

After discussion, it was moved by Edwin Shiroma and seconded by Mary Savio to accept the Complaint Review Committee's recommendation to send a warning letter to Feuerman that he should have been aware of Commission's Rule 1.11(a). The complaint regarding theft of furniture should be filed with the Police Department. Motion carried unanimously.

RE-77-154 Jack L. Gatti and Eric W. Sillito

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to dismiss complaint on the basis that no violations were found. Motion carried unanimously.

RE-77-157 Charles L. Waite and J. M. Urner, Inc. Branch 1

After discussion, Edwin Shiroma moved and Mary Savio seconded to hold an informal conference to be held with Charles Waite and James E. McCellar to discuss the matter. Motion carried unanimously.

RE-77-160 Herbert Horita Realty, Inc. (Ronald T. Sugiyama)

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept Complaint Review Committee's recommendation to dismiss case on the basis that this appeared to be a civil matter between buyer and seller. Motion carried unanimously.

RE-78-3 Levy Realty, Inc.

After discussion, Edwin Shiroma moved and Mary Savio seconded to dismiss complaint on the basis that this complaint is a civil matter which involves landlord-tenant code. Motion carried unanimously.

CON-77-13 Menehune Shores Hui, Walter C. Witte

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept Complaint Review Committee's recommendation to defer this matter for further investigation for possible violation of Section 514A-68, H.R.S. Motion carried unanimously.

CON-78-1 Herbert K. Horita Realty, Inc.

After considerable discussion on this matter, Edwin Shiroma moved and Tadayoshi Ishizu seconded to dismiss complaint; however, a very strong warning letter be sent to Herbert K. Horita Realty, Inc. Suggest that the firm revise its internal procedures and warn them that should this practice continue, the Real Estate Commission will proceed against Herbert K. Horita Realty, Inc. for the action of their sales people. Motion carried unanimously.

New Business:

LICENSING

CORPORATION

Anuenue Realty, Inc. - 15 Laimana St., Hilo  
Delene K. Holt, pb

Ben-Sen Associates, Inc. - 904 Kohou St., #100, Honolulu  
Ben F. Sen, pb

Brokers Exchange, Ltd. - 841 Bishop St., #1919, Honolulu  
Betsy Christian, pb

C. M. Cabral & Associates, Inc. - 190 Keawe St., #32, Hilo  
Chester M. Cabral, pb

Graham Realty, Inc. - 1144 Young St., Honolulu  
Daniel T. Graham, pb

Hawaiian Ensign, Inc. - 975 Limahana Pl., 2nd Flr, Lahaina  
Paul R. Warford, pb

Kamaole Realty, Inc. - 2495 So. Kihei Rd. 7F, Kihei  
Howard W. Isidor, pb

Land Unlimited, Inc. - 100 Pauahi St., #202, Hilo  
Paul A. Schattauer, pb

Margaret Lockridge, Inc. - 629 A Kailua Rd, #109, Kailua  
Margaret A. Lockridge, pb

Nissho International Investment, Inc. - 190 S. King St., #1645  
Kenneth Kawazoe, pb

Real Estate Exchange, Ltd. - 760 Front St., Lahaina  
Lynn Oakley, pb

Realty Resources of Hawaii, Inc. - World Square 75-5725M Alii Dr.,  
Deanna N. Hammersley, pb Kailua-Kona

Regency Realty, Inc. - 111 N. King St., #406, Honolulu  
Morris Y. Hironaga, pb

Stott Real Estate, Inc. - 309 Hahani St., Kailua  
George W. Stott, Jr., pb

The Valley Corporation - 345 Queen St., #302, Honolulu  
Lynn Blakely, pb

Edwin Shiroma moved and Mary Savio seconded to approve the above applications for corporate licenses except Real Estate Exchange, Ltd. on the basis that it is too similar to Realty Exchange. Motion carried unanimously.

On a second motion by Tadayoshi Ishizu and seconded by Edwin Shiroma, authorization was granted to Executive Secretary to approve the application of Real Estate Exchange, Ltd. upon receipt of a new name which is found satisfactory. Motion carried unanimously.

BRANCH OFFICE

Kenneth Fujiyama Realty, Inc. - 75-5744 Alii Dr., #143, Kailua-Kona  
Vivian A. Costa, bic

Jack Huddleston, Inc. - Lahaina Shopping Center, Bx 1238, Lahaina  
Barbara M. Sigwell, bic

John E. Wilson dba Pali Kai Realtors - 1993 Kihei Rd., Kihei  
Gordon E. Stellway, bic

Mary Savio moved and Edwin Shiroma seconded to approve the above applications for branch office. Motion carried unanimously.

TRADENAME

J. M. Galiza Realty - 1111 Bishop St., #511, Honolulu  
Jovencio M. Galiza, Sr., dba

Mike Keyes - 1000 Bishop St., 2nd Flr, Honolulu  
Michael K. Keyes, dba

Landgraf Realty - 825 Keeaumoku St., #215, Honolulu  
Dorothy Landgraf, dba

Phelps Realty - 736 South St., #104, Honolulu  
John N. Phelps, dba

Norman Touchi Realty - 1136 Union Mall, #609, Honolulu  
Norman A. Touchi, dba

Ulep Realty - 1414 Colburn St., #201, Honolulu  
Saturnino L. Ulep, dba

Willis Realty - P. O. Box 1702, Kailua-Kona  
Joan C. Willis, dba

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve above applications for tradenames. Motion carried unanimously.

RESTORATION - past 2 years

Roy E. Lovett, Jr.

Tadayoshi Ishizu moved and Mary Savio seconded to deny restoration of salesman license on the basis that he had no reason to go beyond the two-year limit. Motion carried unanimously.

Contested Case Hearings:

RE-76-136 Robert Miller, Rita Arciero and Laura Light

Attorney Durrell Douthit, representing Respondent Laura Light, and Respondent Robert Miller appeared and presented oral arguments to the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order. Douthit contends that his client was not in violation of the law.

State's attorney, Deputy Attorney General Allan G. Kawada had filed written Exceptions to Hearings Officer's proposed decisions and was present to rebutt the oral arguments of both attorney Douthit and Miller. Kawada stated that the State should have found the parties in violation of Section 467-14(1), (2) and (3), H.R.S., following Judge Fukushima's decision in Civil No. 44722, in that misrepresentations were made to Vi Sigman.

The Hearings Officer's findings and conclusions did not reflect this misrepresentation by the Respondents.



Douthit and Miller were given a few minutes to rebutt State counsel's arguments and were excused.

Following considerable discussion, Mary Savio moved and Tadayoshi Ishizu seconded to accept the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order in total, to dismiss the charges of violating Section 467-14(1), (2) and (3), but to suspend the licenses of Light, Miller and Arciero for 30 days for violating the provisions of Section 467-14(12), H.R.S., and Commission's Rule 1.3(g). Motion carried unanimously.

RE-76-110 Singleton Associates

James Singleton with his attorney, Robert Jinks, appeared to present oral arguments to Hearings Officer's proposed decision.

Jinks strongly argued on the difference between the words "is" and "will be" regarding the matter of producing clear title to the lots. He emphatically stated "It does not matter what goes into escrow, it's what comes out from escrow."

State's counsel, Robert Klein, was given an opportunity to rebutt. He stated that the proposed settlement was 2 years in the making and the Respondent did not convey the truth of the matter and concealed facts that were asked of him. Complainant would never have entered into this entangled deal if pertinent facts were made aware.

Jinks was given a few minutes to answer questions posed by Commissioners and were excused.

Begin Executive Session: At 3:30 p.m., Edwin Shiroma moved and Tadayoshi Ishizu seconded to go into executive session to discuss above matter with Deputy Attorney General Russel Nagata and to review the hearings folder. Motion carried unanimously.

End Executive Session: At 4:00 p.m., Edwin Shiroma moved and Tadayoshi Ishizu seconded to move out of executive session and back into regular meeting. Motion carried unanimously.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order to dismiss charges under Section 467-14(1), (2) and (3), H.R.S. but found in violation of Section 467-14(8) and (12), H.R.S. and Rule 1.3(h) and order of license suspension of 6 months. Motion carried unanimously.

RE-76-163 Harold L. Fuller, Sr.

Executive Secretary apprised the Commissioners that he received a telephone call from Harold Fuller who verbally requested a

continuance of this matter inasmuch as he just received the notice of the March 31, 1978 meeting and would require time to prepare his oral arguments. It was further reported that this matter will be scheduled for the April 28, 1978 meeting.

RE-612, RE-616, RE-637 Douglas H. Correa

Respondent Douglas Correa failed to make an appearance.

As there were no Exceptions filed with the Hearings Officer, Mary Savio moved and Edwin Shiroma seconded to accept the Findings of Fact, Conclusions of Law and Recommended Order of the Hearings Officer to revoke the license of Douglas H. Correa and National Realty, Inc. Motion carried unanimously.

Correspondence: Letter from G. A. "Red" Morris re: Proposed Legislation

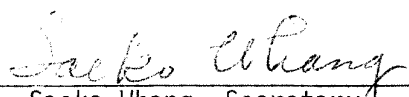
Red Morris, in his letter dated February 23, 1978, submitted materials in reference to Oregon placing moratorium on travel agents.

After some discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to defer this matter for further study. Motion carried unanimously.

Date of Next Meeting: The next Commission meeting will be held on Friday, April 28, 1978, 9:00 a.m., in the Board Room.

Adjournment: There being no other business to transact, Chairman Young adjourned the meeting at 4:15 p.m.

Taken and recorded by:

  
\_\_\_\_\_  
Saeko Whang, Secretary

Approved by:

  
\_\_\_\_\_  
YUKIO HIGUCHI, Executive Secretary