

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

MINUTES OF MEETING

Date: Friday, August 25, 1978

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

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

Randall Y. Iwase, Deputy Attorney General  
Darryl Y. C. Choy, Hearings Officer  
Yukio Higuchi, Executive Secretary  
Saeko Whang, Secretary

David A. Heenan, Dean, College of Business Admin., U. of H.  
Joseph W. Choy, Director, S.B.M.P., U. of H.  
Donald Bell, Prof., College of Business Admin., U. of H.  
Jack Hisatake, Applicant for real estate salesman license  
Kenneth T. Okazaki, Applicant for real estate salesman license  
Hiroshi Sakai, Attorney representing Tom Schmidt  
Charles Brower, Attorney representing Tom Schmidt  
Larry Gilbert, Attorney representing Harold Miller  
Gregory Blotsky, Applicant requesting corporate name change

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

The Executive Secretary apprised that the agenda for today's meeting was duly processed on Tuesday, August 22, 1978 before 9:00 a.m., at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: It was moved by Mary Savio, seconded by Tadayoshi Ishizu to approve the minutes of July 28, 1978 as circulated. Motion carried unanimously.

Committee Reports: Real Estate Education Advisory Council

Application for Real Estate Instructor's Certificate

John L. Spalding (guest instructor)

John Spalding's application for a real estate broker and salesman instructor certificate had been denied at the July

meeting. Therefore Spalding amended his application to a special instructor's certificate in Math, Finance, Investment and Taxation. Based on his education, (M.A. degree in Business Administration) Mary Savio moved and Ralph Yagi seconded to approve Spalding's application for certification as a specialized instructor for broker and salesman courses. Motion carried unanimously.

In conjunction with his application, Spalding requested Jones/Spalding school name be reconsidered upon the approval of his specialized instructor's license

After discussion, Mary Savio moved and Toru Kawakami seconded to deny the use of Spalding's name in the name of Norma Jones School of Real Estate on the basis that he is only a guest instructor. By show of hands, motion carried unanimously.

Charles Wade (guest instructor)

Upon the recommendation of the Executive Secretary, Mary Savio moved and Ralph Yagi seconded to approve Wade's application for certification as a specialized instructor in Finance and Appraisal for broker and salesman courses. Motion carried unanimously.

Stanley Tobias (broker and salesman courses)

Executive Secretary apprised the Commissioners that Tobias held an instructor's certificate 2 years ago but had it lapse. He filed a new application for certification for broker and salesman courses.

As recommended by Executive Secretary, Mary Savio moved and Tadayoshi Ishizu seconded to approve Tobias' application for certification as an instructor for real estate broker and salesman courses. Motion carried unanimously.

#### Broker Education and Experience Requirements Study

At the July meeting, Commission adopted the proposed recommendation to upgrade the broker's license program.

Following a brief discussion, Edwin Shiroma moved and Toru Kawakami seconded to authorize Executive Secretary to proceed immediately to do whatever steps are necessary to go for public hearing on this matter. Motion carried unanimously.

#### Real Estate Chair

At the request of Prof. Donald Bell, Mary Savio moved and Edwin Shiroma seconded to add this matter to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Dr. David Heenan requested the approval of the following future appointments and assignments for the Real Estate Chair:

Dr. Bill E. Tsagris - will teach the spring semester in 1979 and possibly work during the summer in June

Dr. George Bloom ) - one semester each during the school  
Dr. William Kinnard) year 1979-80

Mary Savio moved and Edwin Shiroma seconded to approve the request of Dr. Heenan subject to approval of the Governor. Motion carried unanimously.

S.B.M.P. Real Estate Broker Certification

Mary Savio moved and Edwin Shiroma seconded to add another item regarding S.B.M.P. real estate certification program to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Joseph Choy, Director of S.B.M.P. was present to request Commission's consideration of the following:

- (1) Give credit for the broker educational credit; and
- (2) 1 year experience be given upon successful completion of this program.

Following discussion, Edwin Shiroma moved and Mary Savio seconded to approve request to allow partial credits as determined by the Commission for the specific individual course. Motion carried unanimously.

Laws & Rules Review Committee

Edward Shiroma reported that Executive Secretary had compiled in draft form the entire Chapter 20. The next step would be to redraft the rules and regulations and iron out some matters before the final draft. The next Committee meeting will be held on September 28, 1978 at the Tropic Shores Realty meeting room.

Time-Share Legislation Study Committee

Mary Savio reported that this Committee has met several times already and will continue to meet.

Business Out  
of Minutes:

Jack Hisatake, Applicant for Real Estate Salesman Examination

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

Jack Hisatake sat for the August 5, 1978 real estate salesman examination was notified that he failed by one question. He was present to request Commission's indulgence to look over the test questions which he thought were ambiguous.

Executive Secretary informed the Commission that the Department does not keep on hand any copies of the real estate examination. The Commission advised Hisatake to write directly to E.T.S. for rescoring and/or to retain a lawyer.

Application for Restoration of Forfeited License

Roy E. Lovett, Jr.

Roy E. Lovett had phoned to inform the Commission that he is not able to get his broker to accompany him as requested by the Commission at the July and August meetings.

Following discussion, Edwin Shiroma moved and Toru Kawakami seconded to reaffirm the April decision to deny request for restoration of Roy E. Lovett's forfeited license. Motion carried unanimously.

Kenneth T. Okazaki

Kenneth Okazaki's application to restore his forfeited license was denied at the May 26 meeting. He requested an informal conference for reconsideration of the matter.

Okazaki stated that he does property management at his place of employment. After the question and answer period, Chairman Young thanked him for coming and said that the matter will be taken under advisement.

After discussion, Mary Savio moved and Toru Kawakami seconded to approve restoration of Kenneth Okazaki's real estate salesman's license. Motion carried unanimously.

RE-77-138 Marcia Brilhante

There was a hearing held on this matter but Marcia Brilhante did not appear. The Hearings Officer's proposed decision had been submitted over 2 months ago but the Commission were waiting for service to be made to Brilhante.

Darryl Choy, Hearings Officer, reported that he mailed a copy of the decision to Brilhante but it was returned. He attempted 2 additional times but both times the letter was returned.

Mary Savio moved and Tadayoshi Ishizu seconded to accept the Hearings Officer's Findings of Fact Conclusions of Law and Recommended Order effective immediately. Motion carried unanimously.

CON-76-23 Tom Schmidt Realtors

Deputy Attorney General Rick Tsujimura had filed Exceptions to Hearings Officer's proposed decision on this matter; however, Tsujimura was not present to hear nor rebut the arguments.

Hiroshi Sakai, Charles Brower and Larry Gilbert, attorneys representing the Respondents Thomas F. Schmidt and Harold H. Miller, were present to offer their arguments.

Following the presentation of arguments, Chairman Young thanked the attorneys for coming and said the matter will be taken under advisement.

After much deliberation, Ralph Yagi moved and Edwin Shiroma seconded to accept the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order to dismiss the charges. A vote was taken.  
Ayes: Edwin Shiroma, Ralph Yagi, Tadayoshi Ishizu, Toru Kawakami  
and Ah Kau Young  
Nays: Mary Savio Motion carried.

RE-78-47 Island Resort Management, Inc.

An informal conference with Jon Rich was held on this matter last month and Commission decided to dismiss case upon receipt of evidence of reimbursement.

Inasmuch as a copy of a letter written to Mrs. Kathleen Kensinger was received as proof of reimbursement, Edwin Shiroma moved and Mary Savio seconded to dismiss case. Motion carried unanimously.

RF-77-13 Menehune Shores

Deputy Attorney General Randall Iwase reported on this matter regarding the Developer wanting to pass on the 11% carrying cost due to late closing to purchasers. The Commissioners feel that the Developer can not charge a purchaser for what is the Developer's risk.

After a lengthy discussion, Edwin Shiroma moved and Mary Savio seconded to put investigation report back to the Complaint Review Committee for careful review and further investigation.  
Motion carried unanimously.

Jon Miho's Petition for Declaratory Ruling

After a lengthy discussion on this matter with Deputy Attorney General Randy Iwase Mary Savio moved and Ralph Yagi seconded to meet with Jon Miho at the next meeting to discuss this matter further. Motion carried unanimously.

RE-78-41 Douglas H. Correa, Randall J. Gomes and Wallace Y. Watanabe

At last month's meeting, Executive Secretary was requested to draft hearing notice on this matter; however he subsequently learned that the parties had executed cancellation agreement on June 16, 1978.

Following discussion, Mary Savio moved and Edwin Shiroma seconded to dismiss complaint subject to receiving a fully executed copy of the settlement and indemnity agreement and also a copy of the stipulation of dismissal with prejudice. Motion carried unanimously.

Century 21 American Homes, Inc. Request for Name Change

At the July meeting, Commission deferred action to change the name of Century 21 American Homes, Inc. and decided to invite Gregory Blotsky, President, to discuss this matter. He was requested to bring along his franchise agreement and samples of the proposed advertising materials.

After the question and answer period, Commission was still undecided on the course of action to take and advised Blotsky to think about it and to "touch base" with franchisor and to follow the guidelines which were adopted in 1973.

RE-78-49 Elliot Magoun dba Magoun Realty

Since Elliot Magoun did not make an appearance, Edwin Shiroma moved and Tadayoshi Ishizu seconded to invite him to the September 29, 1978 meeting. Motion carried unanimously.

CON-76-12 Maunahi Developers

At the request of Executive Secretary, Edwin Shiroma moved and Tadayoshi Ishizu seconded to add this matter in compliance with the Sunshine Law. Motion carried unanimously.

Executive Secretary reported that in order to resolve this matter, the Commission had decided that he write to the Association of Apartment Owners to notify them what had transpired and if they do not respond within a reasonable time to dismiss the case.

Commission received reply from Warren Wegesend stating that the Board of Directors has always and is still willing to meet with Mr. Matsukage. In light of this information, Mary Savio moved and John Urner seconded that a copy of Wegesend's letter be sent to Matsukage and advise him to get together with the Board of Directors and resolve the matter. Motion carried unanimously.

Investigations: RE-78-56 Hugh Menefee, Inc.

After discussion, Mary Savio moved and Edwin Shiroma seconded to accept the Complaint Review Committee's recommendation to dismiss

complaint with letter of warning to Hugh Menefee, Inc. for possible technical violation of (1) Section 514A-68, H.R.S. and (2) possible violation of Rule 9. Motion carried unanimously.

RE-78-48 FAC Realty, Inc.

Following discussion. Edwin Shiroma moved and Mary Savio seconded to concur with the recommendation of the Complaint Review Committee to hold the matter in abeyance pending notification from Sidney Ayabe. Motion carried unanimously.

RE-78-62 Harriet Klark

As recommended by the Complaint Review Committee, Tadayoshi Ishizu moved and John Urner seconded to dismiss case as complainant has accepted the settlement proposal made by respondent. Motion carried unanimously.

CON-77-19 Sugar Beach Development Co.

Upon the recommendation of the Complaint Review Committee, John Urner moved and Tadayoshi Ishizu seconded to have Deputy Attorney General Randall Iwase meet with the Complaint Review Committee to discuss this case before the September meeting. Motion carried unanimously.

CON-78-2 Recreational Time Share Hawaii

After discussion, Edwin Shiroma moved and John Urner seconded to accept the Complaint Review Committee's recommendation to dismiss complaint on basis that there appears to be no violation of real estate law or Commission's rules and regulations and to advise the complainant that should he desire, he should pursue this matter through the proper format. Motion carried unanimously.

CON-78-5 Menehune Shores Hui

Following discussion. Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the recommendation of the Complaint Review Committee to dismiss complaint as no violation was found. Notify the complainant that Developer has extended the warranty period and is pursuing corrections of construction in a timely manner. Motion carried unanimously.

New Business

LICENSING

CORPORATION

Sandy Bell, Inc. - 629 A Kailua Rd., #6, Kailua  
Sandra T. Bell, pb

Phil Broms, Inc. - 828 Fort St., #306, Honolulu  
Philip R. Broms, pb

(Corporation) cont.

Canuck Realty, Inc. - 33 Lono Ave., #240, Kahului  
Philip C. Henry, pb

Fulton Land & Management Co., Ltd. - 95-119 Kam Hwy, Wahiawa  
John D. Fulton, pb

Lei State Realty, Inc. - 680 Ala Moana Blvd, #414, Honolulu  
George M. Melvin, pb

Martin, Inc. - 991 Limahana St., Lahaina  
Peter K. Martin, pb

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~~Meridian Properties, Inc. - 1164 Bishop St., #1007, Honolulu  
Roger Y. Shigaki, pb~~

Owen Homes of Hawaii, Inc. - 7192 Kalaniana'ole Hwy, #254, Honolulu  
Warner L. Owen, pb

Pearl Properties, Inc. - 98-1247 Kaahumanu St., #218A, Aiea  
Glenn H. Suizu, pb

S & E Investments - 345 Queen St., #800, Honolulu  
Donald T. Eovino, pb

Edwin Shiroma moved and Ralph Yagi seconded to approve the above applications for corporate licenses. John Urner abstained. Motion carried.

BRANCH OFFICE

Luke & Luke Realty, Inc., 1221 Kapiolani Blvd., #6A-4, Honolulu  
Betty M. Y. Luke, bic

Paiko, Inc. - 651 Haleakala Hwy, Kahului  
Raymond Y. B. Yuen, bic

Waterfront Properties, Inc. - 1750 Kalakaua Ave., Honolulu  
Virginia Sinsabaugh, bic

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

TRADENAME

Great Indoors - 2570 Kalakaua Ave., Honolulu  
Roberta L. Morgan, dba

Hale Ku'ai Realty - Hilo  
Arline B. Loughridge, dba



Hamilton International - 700 Bishop St., #1900, Honolulu  
Eugene Hamilton, dba

R. M. Kawamata Realty - Kenichi Hayashi Enter. Inc. Bldg, Kamuela  
Raymond M. Kawamata, dba

Newport Hawaii Realty - Kuakini Prof. Plaza, Bx 2441, Kailua-Kona  
Mary Ann Braun, dba

Tadayoshi Ishizu moved and Toru Kawakami seconded to approve the above applications for tradename. Motion carried unanimously.

CHANGE OF CORPORATE NAME

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~~Pan Pacific Realty Corp - 1412 Colburn St., Honolulu  
(formerly Grace Gunn Realty, Inc.)~~

Mary Savio moved and Ralph Yagi seconded for approval of the change of corporate name of Pan Pacific Realty Corp. Motion carried unanimously.

RESTORATION OF FORFEITED LICENSE

Thomas T. M. Chow

There were no communication of explanation received from Thomas Chow regarding this matter.

Ralph Yagi moved and Mary Savio seconded to deny restoration of Thomas Chow's real estate salesman license. Motion carried unanimously.

Raymond T. Higa

Raymond Higa submitted a letter explaining reason why he let his license lapse and that he is employed at the Department of Taxation as a supervising real estate appraiser.

In view of his keeping abreast of the real estate industry and letters of recommendation received, Mary Savio moved and Edwin Shiroma seconded to approve restoration of forfeited license to Raymond Higa. Motion carried unanimously.

Masao Shintani

Masao Shintani's license was voluntarily suspended for 30 days which ended August 31, 1978. He submitted for consideration application for reinstatement of his suspended license.

Ralph Yagi moved and John Urner seconded to approve reinstatement effective September 1, 1978. Motion carried unanimously.

Miscellaneous: Real Estate Education for Investigators

Licensing Administrator Dick Okaji has requested Commission's approval to purchase textbooks through the Real Estate Education Fund for 3 new investigators who are taking the S.B.M.P. salesman pre-license course. The cost would be approximately \$60.00.

Ralph Yagi moved and Mary Savio seconded to approve request to fund from the Real Estate Education Fund. Motion carried unanimously.

August 5, 1978 Examination Results

Executive Secretary reported that out of the 144 candidates who took the brokers exam, 83% passed and out of 1120 candidates taking the salesman exam, 76% passed.

Mary Savio moved and Tadayoshi Ishizu seconded to accept the examination results and make it a part of the minutes. Motion carried unanimously.

Examination Dates for 1979

As E.T.S. has been requesting the examination dates for 1979, the following dates were selected:

- April 7, 1979
- August 4, 1979
- November 17, 1979

It was so moved by Ralph Yagi, seconded by Toru Kawakami and unanimously carried.

Announcement: Executive Secretary reported that inasmuch as there will be 9 members serving the Commission the quorum has increased from 3 to 4.

Date of Next Meeting: The next Commission meeting will be held on Friday, September 29, 1978 at 9:00 a.m. in the Board Room.

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

Taken and recorded by:

      Saeko Whang        
Saeko Whang, Secretary

Approved by:

      Yukio Higuchi        
YUKIO HIGUCHI, Executive Secretary