

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

MINUTES OF MEETING

Date: Friday, November 17, 1978

Place: Conference Room, Third Floor, 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
Ralph S. Yagi, Member

John McConnell, Deputy Director
Dick H. Okaji, Licensing Administrator
Yukio Higuchi, Executive Secretary
Marion Oshiro, Licensing Supervisor
George Arine, Supervising Investigator
Saeko Whang, Secretary

Joseph Choy, Director, S.B.M.P., U. of H.
Sheila Lau, Education Officer, Honolulu Board of Realtors
Leonard Dillenbeck, former licensed broker
Michael Gibson, attorney representing Len Dillenbeck
Patricia Ford Neilson, broker
Theodore Blake, applicant for salesman license

Absent: John M. Urner, Member

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

The Executive Secretary apprised that the agenda for today's meeting was duly processed on Tuesday, November 14, 1978, at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Mary Savio moved and Toru Kawakami seconded to approve the October 20, 1978 minutes as circulated. Motion carried unanimously.

Committee Reports: Real Estate Education Advisory Council

Professional School of Real Estate (name change)

Marshall F. Goldman notified the Commission that there has been a change in school ownership to sole proprietorship of Marshall F. Goldman and requested approval of name change from Professional

School of Real Estate to Marshall Goldman School of Real Estate.

Upon the recommendation of the Executive Secretary, Mary Savio moved and Toru Kawakami seconded to approve request for change of school name. Motion carried unanimously.

Laws and Rules Review Committee

Rules Review Committee Chairman Edwin Shiroma reported that the Nevada franchise rules may be incorporated into our rules.

He announced that the next Rules Committee will be held on December 14, 1978 at Tropic Shores Realty, Ltd. meeting room.

Proposed Amendments to Broker Education and Experience Requirements

At last month's meeting the Commission approved the final draft of the proposed amendments to the broker educational and experience requirements and a copy was forwarded to the Director.

John McConnell, Deputy Director, had expressed he would like to have an opportunity to come before the Commission to discuss this matter.

Mr. McConnell stated that under the Sunset Law, the Legislature would more than likely raise the question why the increase in the number of hours from 40 to 240 - there must be some rationale or justification behind it. Mary Savio replied that the real estate industry so far have welcomed this new idea to increase the broker requirements and said, "It's about time." After further discussion, Executive Secretary stated that this matter would be referred back to the Education Committee before any public hearings are held and the Director will be provided the rationale and justification for the proposed increase in the minimum hours.

Time-Sharing Legislative Study Committee

Mary Savio, Committee Chairperson, reported that there is nothing to report. She will call the Committee together for a meeting and will report next month.

Recovery Fund Report

Executive Secretary reported that he received notice from Sidney Ayabe, Real Estate Recovery Fund counsel requesting approval to make payment of \$6,435 from the Real Estate Recovery Fund against National Realty, Inc.

Mary Savio moved and Edwin Shiroma seconded to approve payment from the Real Estate Recovery Fund. Motion carried unanimously.

Len Dillenbeck - Offer to Repay Recovery Fund

It was moved by Mary Savio and seconded by Tadayoshi Ishizu to add this matter to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Michael Gibson, attorney representing Len Dillenbeck and Dillenbeck appeared together to discuss Dillenbeck's offer to pay a partial refund of \$3,000 of the \$20,000 the Commission paid out.

Gibson stated that this partial repayment is simply to wipe Dillenbeck's record clean and this does not mean that the Real Estate Commission will restore Dillenbeck's real estate licence.

After further discussion, Chairman Young stated the Commission will need to consult with Sidney Ayabe at the next meeting before any definite decision can be made and that Gibson will be kept advised.

Attorney General's Report

In the absence of Deputy Attorney General Randy Iwase, the Executive Secretary reported that a request for a written opinion was forwarded to the Attorney General's Office to determine the legality of registering an agricultural condominium project as proposed by Hiroshi Sakai. Deputy Attorney General Iwase has been in contact with the Executive Secretary but he has not completed his opinion. Iwase had indicated that he will research the legislative intent before rendering his opinion.

Business Out
of Minutes:

RE-78-49 Elliot N. Magoun

Although a letter was sent to respondent Elliot Magoun to appear and to bring ledgers pertaining to Dr. Suga's rental account, Magoun failed to make an appearance.

After discussion, George Arine, Supervising Investigator, was verbally instructed to have an investigator contact Magoun to clarify one point where this one check is still missing.

RE-78-107 Dave Ford Real Estate

At the September meeting, Commission decided to hold an informal conference to discuss this matter.

As requested, Patricia Ford Neilson appeared but David Ford had phoned earlier to say he is sick and won't be able to attend this informal conference.

After the question and answer period, Chairman Young thanked Neilson for coming and advised that this matter will be taken under advisement.

Following discussion, George Arine was instructed verbally to have the Hilo investigator follow-up for further investigation.

RE-77-151 A.A. Management Corp., Leila Virdone

At the May 26, 1978 meeting this matter had been voted to hold a formal hearing but when the report had been reviewed by Deputy Attorney General Rick Tsujimura, he recommended dismissal for lack of hard evidence to prosecute. The Commission, therefore, deferred action and requested for additional investigation on the matter.

Tsujimura replied on his memorandum dated October 19, 1978 that since additional investigation did not reveal anything significant, he still recommends dismissal for lack of evidence and a warning letter be sent to Respondent.

Mary Savio moved and Toru Kawakami seconded to dismiss case in accordance with Tsujimura's recommendation with a warning letter to Virdone. Motion carried unanimously.

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

At the meeting of August 25, 1978, Deputy Attorney General Randy Iwase reported that he felt that there was insufficient evidence to support the charges of violation of Section 514A-68, H.R.S. The Commission decided to refer this case back to the Complaint Review Committee to determine whether there was some other charge that the Commission could bring against Respondent.

At the meeting of September 29, 1978, the Complaint Review Committee reported that it would like to discuss this case with Randy Iwase to determine what course of action is available to the Commission in finalizing this case.

The Executive Secretary reported that he had discussed this case with Randy Iwase, and he (Iwase) restated his earlier opinion that he felt that there wasn't much of a case of violation of Section 514A-68, H.R.S., or other provision of the Horizontal Property Act.

Ralph Yagi moved and Edwin Shiroma seconded to dismiss this case as there appeared to be insufficient evidence to support the allegation violation of Section 514A-68, H.R.S. Motion carried unanimously.

CON-77-19 Sugar Beach Development Co.

At the September meeting, Commission decided to write to Kopperud, attorney for Complainant, notifying him that there were no evidence of the alleged misrepresentation and in order to proceed further with this investigation, the Commission would need the names of individual(s) who made the misrepresentations.

Reply from Phyllis Leckwold stated that Bill Hawkins, manager at Sugar Beach made the misrepresentations.

Edwin Shiroma moved and Mary Savio seconded to have further investigation on this matter by contacting the manager and to write attorney Edward Bybee notifying him that the Commission is requesting further investigation on the matter. Motion carried unanimously.

Questionable Applications

Theodore K. Blake (Salesman applicant)

The Commission had deferred action on this matter to afford Theodore K. Blake an opportunity to discuss his application before reaching a decision.

Blake explained the circumstances leading to his arrest for possessing cocaine. He said he did a foolish thing and regrets having done it.

After the question and answer period, Blake produced one letter of character reference from Thomas Schmidt. Blake was requested to submit two additional references. He was then advised by Chairman Young that this matter will be taken under advisement.

Following discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to give Mary Savio authorization to proceed on the matter based on the submission of the 2 additional letters, to grant Blake his real estate salesman license. Motion carried unanimously.

Colin H. Hara (Salesman applicant)

The Executive Secretary reported that he has received a letter from Mrs. Colin H. Hara stating that her husband will not be able to appear today and requested that he be allowed to appear at the next Commission's meeting.

Mary Savio moved and Edwin Shiroma seconded to afford Colin Hara to appear at the December 15, 1978 meeting. Motion carried unanimously.

Investigations: RE-78-78 Henry Spangler, Real Estate Mart

After discussion, Mary Savio moved and Edwin Shiroma seconded to dismiss case as it appears from the records that Spangler did not commingle nor misuse of funds, that he acted in the best interest of James Smith's client and in accordance with the Landlord-Tenant Code. Motion carried unanimously.

RE-78-94 Joseph Kealoha

Following discussion, Edwin Shiroma moved and Ralph Yagi seconded for dismissal of case based on the supplemental report as there is no evidence of violation. Motion carried unanimously.

RE-78-105 Joan S. Kato, Locations, Inc.

After discussion, Edwin Shiroma moved and Toru Kawakami seconded to dismiss case for lack of evidence of misrepresentation. Motion carried unanimously.

RE-78-112 Jay Wescott

Following discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to dismiss case as recommended by investigator Yamamoto. Motion carried unanimously.

New Business: LICENSING

CORPORATION

Joy Beeson Realty, Inc. - 2270 Kalakaua Ave., #700, Honolulu
Karrol J. Beeson, pb

Reba Coatney Realty, Inc. - Kuakini Professional Plaza Kuakini
Reba M. Coatney, pb Hwy, Kailua-Kona

Lorna Cutshaw Realty, Inc. - 1441 Kapiolani Blvd., #1305
Lorna H. Cutshaw, pb

Hanchett Realty, Inc., - P. O. Box 36, Hana
Muriel H. Hanchett, pb

Hirota & Associates, Inc. - 27 Waianuenue Ave., Hilo
Rudy T. Hirota, pb

Ka'u Realty, Inc. - Naalehu Spur Rd., Naalehu
Eric W. Sillito, pb

Loughridge Corporation - 67-1153 Mamalahoa Hwy, Kamuela
Arline P. Loughridge, pb

Sayles, Inc. - 841 Bishop St., #2000, Honolulu
Duvahn W. Sayles, pb

Ralph Yagi moved and Tadayoshi Ishizu seconded to approve all of the above-listed corporation applications. Motion carried unanimously.

TRADENAME

Big Island Realty - Waikoloa Village Station, P. O. Box 3087,
Gloria J. Behrens, dba Kamuela

International Real Estate Network - 1144 Young St., Honolulu
Graham Pealty, Inc. dba

Mauna Kea Realty - General Delivery, Kamuela
Mearl L. Price, dba

K. Onaga Realty - 2331 S. Beretania St., #1, Honolulu
Kojin Onaga, dba

South Pacific Properties - 915 Fort St., 10th Flr, Honolulu
Maui Sea Cliffs Development, Inc., dba

Al Spang Real Estate - 45-1048 Kam Hwy, Kaneohe
Allan G. Spang, dba

Chuck Thorp Realty - 1993 S. Kihei Rd., #211, Kihei
Charles E. Thorp, dba

Ralph Yagi moved and Tadayoshi Ishizu seconded to approve the above tradename applications, excepting Big Island Realty and Mauna Kea Realty. It was further moved to authorize Executive Secretary to check the files in the Business Registration Division first whether there were any tradename reservations under Big Island Realty and Mauna Kea Realty before approval. Motion carried unanimously.

RESTORATION OF FORFEITED LICENSE

Betty Gust

Ralph Yagi moved and Edwin Shiroma seconded to approve Betty Gust's application for restoration of forfeited license. Motion carried unanimously.

Kitty Jenner

Ralph Yagi moved and Tadayoshi Ishizu seconded to deny Kitty Jenner's application for restoration of forfeited license. Motion carried unanimously.

REINSTATEMENT OF SUSPENDED LICENSE

Raymond Varde

It was moved by Ralph Yagi and seconded by Tadayoshi Ishizu to approve reinstatement of suspended license of Raymond Varde. Motion carried unanimously.

Miscellaneous: Discussion with Licensing Administrator re: Issuance of ID Cards

Licensing Administrator Dick H. Okaji and Licensing Supervisor Marion Oshiro were present to discuss the proposed changes to the present practice of issuing ID cards. Copies of the memorandum relative to this change were circulated.

Mr. Okaji reported that there are about 325 re-issuances per month and that some of the licensees are complaining about the long delay in not receiving the ID cards. The main change will be to issue all ID cards for salesman and broker-salesman to their residence addresses rather than the business addresses. Mr. Okaji further reported that he has checked Section 467-11 and finds that this changeover will not be in violation of the law. He asked that the Commission members consider this request and grant approval.

If approved, every licensee will receive notification from the Real Estate Commission advising them of the change in procedure at the time the renewals are mailed.

Following a question and answer period, Mary Savio moved and Toru Kawakami seconded to approve the proposed changes of issuing ID cards as outlined in the memorandum dated November 17, 1978. Motion carried unanimously.


Next Meeting Friday, December 15, 1978, at 9:00 a.m.
Date: Examination-Conference Room

Adjournment: There being no further business, the meeting was adjourned at 3:45 p.m.

Taken and recorded by:


Saeko Whang, Secretary

Approved by:


YUKIO HIGUCHI Executive Secretary