

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

MINUTES OF MEETING

Date: Friday, December 15, 1978

Place: Second Floor, Examination Conference Room  
Kamamalu Building, 1010 Richards St., 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  
Yukio Higuchi, Executive Secretary  
Saeko Whang, Secretary

Sidney Ayabe, Counsel for Real Estate Recovery Fund  
Joseph Choy, Director, S.B.M.P., U. of H.  
Sheila Lau, Education Director, Honolulu Board of Realtors  
Colin H. Hara, applicant for salesman license

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

The Executive Secretary apprised that the agenda for today's meeting was duly processed on Tuesday, December 12, 1978, at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Toru Kawakami moved and Ralph Yagi seconded to approve the November 17, 1978 minutes as circulated. Motion carried unanimously.

Committee Reports: Real Estate Education Advisory Council

Applications for Real Estate School Instructors

Gary Yamashiro, Applicant for Salesman Instructor Certificate

Mary Savio moved and Edwin Shiroma seconded to approve Gary Yamashiro's application for certification as an instructor for salesman courses subject to his showing evidence that he has fulfilled DOE requirements. Motion carried unanimously.

James K. Oshiro, Applicant for Broker and Salesman Instructor Certificate

Mary Savio moved and Toru Kawakami seconded to approve James K. Oshiro's application as an instructor for real estate broker

and salesman courses subject to passing the instructor's examination and meeting DOE requirements. Motion carried unanimously.

S.B.M.P. Certificate Program in Advance Real Estate

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

Joseph Choy, Director of S.B.M.P., reported on the progress of the certificate program which will start on February 14, 1978. Copies of a preliminary brochure outlining the objectives and description of this 30-hour transaction course were distributed. Choy stated that the brochures will be mailed to approximately 13,000 licensees announcing the program.

Laws and Rules Review Committee

Edwin Shiroma, Chairman of the Rules Committee, reported that review of Chapter 20 has been completed and the Committee is presently working on HPR rules.

He announced that the next Rules Committee will be held on January 25, 1979.

Proposed Amendments to Brokers Education and Experience Requirements

At last month's meeting, Deputy Director John McConnell had expressed Administration's concern regarding the proposed amendments to brokers education and experience requirement and the Committee had committed to prepare justification and rationale for submission to the Director.

Mary Savio and Bob Stellmacher had subsequently prepared justification, copies of which had been circulated earlier.

The general consensus was that the justification was well done and all agreed to forward it to the Administration.

Time-Sharing Legislative Study Committee

Committee Chairperson Mary Savio reported that at the last Committee meeting, various assignments were given to different people to submit their report by December 20. At their next Committee meeting they will decide on the final format for submission to the Legislature.

Recovery Fund Report

Correa v. Mutual Benefit Life (Civil No. 48675)

Executive Secretary reported that he has received an order from Real Estate Recovery Fund counsel Sidney Ayabe directing payment

from the Real Estate Recovery Fund the sum of \$3,940.00 to Leonard Correa, Roberta M. L. Correa and Jack C. Morse. Inasmuch as there are several respondents, Executive Secretary stated that he does not know whom to charge or assess it against.

After a brief discussion, Mary Savio moved and Edwin Shiroma seconded to go ahead and approve the payment of \$3,940.00 subject to getting the details from Ayabe. Motion carried unanimously.

#### Sidney Ayabe's Interim Bill (12/1/78)

An interim bill totalling \$2,132.80 for 52.3 hours of work was submitted by Sidney Ayabe.

Moved by Mary Savio and seconded by Toru Kawakami to approve payment. Motion carried unanimously.

#### Dillenbeck's Offer to Repay Recovery Fund

Last month the Commission had deferred action on this matter until they had a chance to consult with Sidney Ayabe, counsel to the Real Estate Recovery Fund.

Sidney Ayabe advised that this matter has a long term effect and it is up to the Commission to make a decision; however, once a decision is made, it will have set a precedent.

After considerable discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the \$3,000, a token offer, to be applied to the reduction of the total lien amount but the balance of the lien still remains. Motion carried unanimously.

#### Attorney General's Report

##### Opinion on Agricultural Condominium

Sometime ago a written request was forwarded to the Attorney General's office to determine the legality of registering an agricultural condominium project.

Deputy Attorney General Randall Iwase, in his research of legislative intent, stated that it is very difficult to say "No" to attorney Hiroshi Sakai's request for several reasons, mainly (1) the law doesn't exclude this kind of situation; (2) his understanding is that development projects are allowed for single family dwelling residential property; and 3) the law includes within the definition of the condominium law office spaces, commercial spaces, etc. Iwase stated that he doesn't see anything clear within the law which prohibits registering farm condominiums.

After considerable discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to invite Hiroshi Sakai at the January meeting for an informal conference for further questioning. Motion carried unanimously.

Defining H.P.R. Act - Offer and Solicitation

Per Executive Secretary's request, Edwin Shiroma moved and Mary Savio seconded to add this matter on the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Commission requested clarification from Deputy Attorney General Randall Iwase the definition of offer and solicitation as it pertains to H.P.R. requirement prior to a developer receiving a preliminary report.

From the industry people, Commission has received information and materials that some people are taking letters of intent or reservations of condominium units prior to the issuance of a public report. These activities have become prevalent and bold and the Commission members have become greatly concerned as to what steps to take to curb these practices.

Iwase, after hearing examples of how letters were sent or reservations taken, indicated that he believes this is a violation of Section 514A-31.

After a lengthy discussion, Edwin Shiroma moved and Toru Kawakami seconded to have this matter investigated. Motion carried unanimously.

Business Out  
of Minutes:Questionable ApplicationColin H. Hara, Applicant for Salesman License

Colin Hara had requested an opportunity to come before the Commission to discuss this matter. He had been indicted by the Federal Grand Jury for embezzlement for funds while employed as a supervisor at the Honolulu Fire Department FCU. He pleaded guilty to one count and was sentenced to 30 days in jail with 5 years probation.

After the question and answer period, Chairman Young advised Hara that the matter will be taken under advisement and that he will be notified.

Following discussion, Ralph Yagi moved and Mary Savio seconded to approve Colin Hara's application for salesman license. Motion carried unanimously.

RE-78-107 Dave Ford Real Estate

At last month's meeting, Commission had requested further investigation on this matter.

The supplemental report had been reviewed and after discussion, the Commission found no violation of the matter; therefore, Edwin Shiroma moved and Tadayoshi Ishizu seconded to dismiss complaint. Motion carried unanimously.

RE-78-49 Elliot N. Magoun

At Executive Secretary's request, Mary Savio moved and Edwin Shiroma seconded to add this matter to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

At the November meeting, Commission had requested an investigator contact Magoun and inform him that the Commission feels there still is one month's check missing. A memorandum subsequently received from Supervising Investigator George Arine reads that Magoun is most adamant that he does not owe Suga any money. Magoun will not cooperate with the investigator any more.

Following discussion, Mary Savio moved and Edwin Shiroma seconded to write Magoun informing him that the records show that there is one month's rental missing and until Magoun can find evidence to the contrary, Commission asks that he reimburse the missing money or we will have to take action. Motion carried unanimously.

Investigations: RE-78-11 Joseph Kealoha, Jr.

Following discussion, Mary Savio moved and Edwin Shiroma seconded to defer action on the matter and to request further investigation to determine when Kealoha first contacted Broman regarding the property. Motion carried unanimously.

RE-78-120 Jay R. Westcott and Michael W. Delaney

After discussion, Mary Savio moved and Edwin Shiroma seconded to accept the recommendation of the Complaint Review Committee to dismiss complaint with a letter of warning to Delaney and Westcott for technical violations of Rule 1.3(f) of the Commission's rules. Motion carried unanimously.

RE-78-122 Bradley-McCarter, Inc. and Locations, Inc.

After discussion, Edwin Shiroma moved and John Urner seconded to accept the Complaint Review Committee's recommendation to dismiss case on the grounds that no misrepresentation was found. Investigation revealed that this was an honest error on the part of the City & County of Honolulu, Sewer Division. Motion carried unanimously.

RE-78-147 Paul N. Tallett

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to dismiss case as recommended by the Complaint Review Committee and issue a letter of warning to Tallett for technical violation of Rule 1.3(b) of Commission's rules and regulations for failing to ascertain the exact location of the property prior to first showing. Motion carried unanimously.

CON 78-15 Atkinson Ventures

After discussion, John Urner moved and Edwin Shiroma seconded to accept the Complaint Review Committee's recommendation to hold a formal hearing in violation of Section 514A-31, H.R.S. Motion carried unanimously.

CON-78-18 Kihei Akahi

Following discussion, Edwin Shiroma moved and John Urner seconded to dismiss complaint as recommended by the Committee on the basis that there is no violation of the H.P.R. law. The sales contract clearly specified that furniture per inventory shall be purchased by separate Bill of Sale and therefore not covered under the warranty contained in the apartment sales contract. Motion carried unanimously.

New Business: LICENSING

Corporation

Big Island Land, Inc., - 2045 Kalaniana'ole St., Hilo  
Mark N. Olds, pb

Executive Estate Properties, Inc. - 190 So. King St., #2470, Hon.  
Ronald F. Tsuzuki, pb

Freddie Goldsmith, Inc. - 46-005 Kawa St., Kaneohe  
Fredericka H. Goldsmith, pb

Kauwe & Associates, Inc. - 2828 Paa St., #1003, Honolulu  
Albert D. Kauwe, pb

Knight International Corporation - 808 Fort St. Mall, Honolulu  
David A. Dawes, pb

Wendy Monet Realty, Inc. - Parker Ranch Office, Rm 2, P.O. Box 95  
Wendelin Monet, pb  
Kamuela

Seabreeze Realty, Inc. - 1314 So. King St., #1559, Honolulu  
James L. Chappell, pb

Service Mortgage Co. dba Wailuna Realty - 735 Bishop St., #422,  
Paula M. Withrow, pb  
Honolulu

U.S. Properties, Inc. - 1750 Kalakaua Ave., #202, Honolulu  
Chester W. Greene, pb

Moved by Mary Savio, and seconded by John Urner to approve of the above listed corporation applications. Motion carried unanimously.

Kahala Realty Corporation - 225 Queen St., 1st Flr, Honolulu  
John M. White, pb

It was moved by Mary Savio, seconded by Edwin Shiroma to authorize Executive Secretary to approve or disapprove application of Kahala Realty Corporation upon checking of principal broker who happens to be the principal broker of another firm. Motion carried unanimously.

Branch Office

Bradley-McCarter, Ltd. - 75-5681 Kuakini Hwy, #101, P.O. Box 5000,  
C. J. Kimberly, bic Kailua-Kona

Gold Coast Realty, Inc. - 75-5744 Alii Dr., #217, Kailua-Kona  
Mark M. Onaka, bic

Hale Eka Realty, Inc. - Kuakini Prof. Plaza, #502, Kuakini Hwy,  
Edgar D. Kerr, bic Kailua-Kona

Island Realty, Inc. - 85-833 Farrington Hwy, Waianae  
Lorene K. Aldrich, bic

Mike McCormack, a div. of McCormack Hawaii, Ltd. - 94-144 Farrington  
Carol Kimble, bic Hwy, Waipahu

Realty Pacific, Inc. - 425 Ena Rd., Honolulu  
John R. Kendrick, bic

Stapleton Associates, Ltd. - 841 Bishop St., #2121, Honolulu  
Elizabeth A. Campbell, bic

FAB Realty, Inc. - 1600 Kapiolani Blvd., Ste 1311-1, Honolulu  
William Dunn, bic

Mary Savio moved and John Urner seconded to approve the above-listed branch office applications. Motion carried unanimously.

Tradenname

R. A. Boyd Real Estate - 1160 Ala Moana Blvd., #3, Honolulu  
Robert A. Boyd, dba

Hawaii International Realty - 444 Hobron Lane #405, Honolulu  
Polly Gateley, dba

Ken Hirai - 1822 Young St., Honolulu,  
Kenneth K. Hirai, dba

Investment Realty Hawaii - 700 Richards St., #809, Honolulu  
Charles A. Shipman, Sr., dba

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Dorothy Jackson Realty - 1096 So. King St., Honolulu  
Dorothy A. Jackson, dba

Summie Li Realty - 444 Hobron Lane, #405, Honolulu  
Summie S. LI, dba

Principal Properties - 1314 So. King St., #1251, Honolulu  
Arthur H. Higashide, dba

Reliable Realty - 1299 Kapiolani Blvd., Honolulu  
Minoru Nakamura, dba

Bosa Wiel Realty - 444 Hobron Lane, #405, Honolulu  
Bosiljka Wiel, dba

Edwin Shiroma moved and Toru Kawakami seconded to approve the tradename applications. Motion carried unanimously.

Change of Corporate Name

Cavanah Associates, Inc. - 745 Fort St., #1500, Honolulu  
(formerly John Cavanah Associates, Inc.)

Mary Savio moved and Edwin Shiroma seconded to approve name change of Cavanah Associates, Inc. Motion carried unanimously.

Application for License - past 1 year

Clinton J. Coelho

Clinton Coelho had filed his real estate salesman's application on December 8, 1978, 5 days beyond the 1 year period after examination.

After discussion, Edwin Shiroma moved and Mary Savio seconded to deny Coelho his real estate salesman license on the basis of Rule 3.1(f). Motion carried unanimously.

Miscellaneous: Location of Schrader Realty, Inc.

Executive Secretary apprised the members that this old matter has been pending for a long time and was recently brought up by the licensing clerk. Upon an investigator's check, it was found that Schrader Realty is still operating at this location which was not properly zoned and City and County had been advised of this matter.

After discussion, Mary Savio moved and Tadayoshi Ishizu seconded to dismiss the matter at this time inasmuch as enforcement of the zoning requirements is the responsibility of the City and County. Motion carried unanimously.

Change to Practice of Re-Issuing Pocket ID Card

Executive Secretary apprised the members that the change to practice of re-issuing pocket ID cards from business addresses to residential



addresses went into effect immediately after Commission approved the change at the November meeting.

1979 Legislation on Fees

For information, Executive Secretary reported that Licensing Administrator Dick Okaji had worked on the proposed legislation for the Division and increased the real estate exam application fees from \$10.00 to \$20.00.

November 25, 1978 Examination Result

The lists of successful candidates who passed the broker and salesman examination were distributed. Executive Secretary reported that out of the 255 candidates who took the broker exam, 221 passed (87%) and out of the 1,564 candidates taking the salesman exam, 1,244 passed (80%).

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

1979 Commission Meeting Dates

The following dates were selected for 1979 Commission meeting dates:

- |                   |                    |
|-------------------|--------------------|
| January 26, 1979  | July 27, 1979      |
| February 23, 1979 | August 31, 1979    |
| March 30, 1979    | September 28, 1979 |
| April 27, 1979    | October 26, 1979   |
| May 25, 1979      | November 30, 1979  |
| June 26, 1979     | December 21, 1979  |

John Urner moved and Tadayoshi Ishizu seconded to approve the 1979 meeting dates. Motion carried unanimously.

Commission's News Bulletin

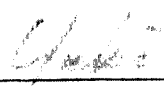
Executive Secretary announced that Trade Publishing Co. is no longer interested in publishing the Commission's news letter and will, therefore, not renew the contract. Jerry Beam will recommend someone to continue publishing the news letters.

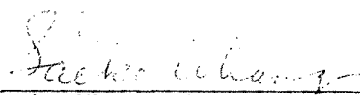
Date of Next Meeting: January 26, 1979, at 9:00 a.m.  
Board Room

Adjournment: There being no other business to transact, the meeting was adjourned at 1:45 p.m.

Taken and recorded by:

Approved by:

  
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YUKIO HIGUCHI, Executive Secretary

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