

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

MINUTES OF MEETING

Date: Friday, January 26, 1979

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

Tany S. Hong, Director
Yukio Higuchi, Executive Secretary
Saeko Whang, Secretary

Joseph Choy, Director, S.B.M.P., U. of H.
John Reilly, President, RESAH
Sheila Lau, Education Director, Honolulu Board of Realtors
Harold Fuller, Applicant
Craig Cornell, Observer (Law Student)
Elliot Magoun, Respondent
Richard Mello, Assistant to E. Magoun
Hiroshi Sakaj, Attorney
Larry Yuen, Observer

Call to Order: There being a quorum present, Chairman Ah Kau Young called the meeting to order at 9:07 a.m.

The Executive Secretary apprised that the agenda for today's meeting was duly processed on Tuesday, January 23, 1979, at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Tadayoshi Ishizu moved and Ralph Yagi seconded to approve the December 15, 1978 minutes as circulated. Motion carried unanimously.

Committee Reports: Real Estate Education Advisory Council

Applications for Real Estate School Instructors and School Certification

Clifford I. Arinaga (b & s instructor)

Upon the recommendation of Executive Secretary, Mary Savio moved and Edwin Shiroma seconded to approve Clifford Arinaga's

application for certification as a real estate salesman and broker instructor subject to his passing the instructor's examination and submission of evidence of licensure from D.O.E. Motion carried unanimously.

Robert K. Tanaka (b & s instructor)

Upon the recommendation of Executive Secretary, Mary Savio moved and Tadayoshi Ishizu seconded to approve Robert K. Tanaka's application for certification for real estate salesman and broker instructor subject to submission of evidence of licensure from D.O.E. Motion carried unanimously.

Bob Tanaka, Inc. School of Real Estate

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to grant authority to Mary Savio, Education Chairperson, and Executive Secretary to review the application of Bob Tanaka, Inc. School of Real Estate and authorize them to make the decision inasmuch as certain requirements were missing. Motion carried unanimously.

Real Estate Education Officer

Executive Secretary read a memorandum from Licensing Administrator Dick Okaji giving a status report regarding the position of the Real Estate Education Officer.

Inasmuch as the Department is establishing a new program, the Governor's office requires a new reorganizational chart be submitted for approval. This has been done and, at present, the Dept. of Personnel Services and the Department is working on the matter and making some progress.

Laws and Rules Review Committee

Proposed Amendments to Broker Education and Experience Requirements

Copies of the proposed amendments to broker education and experience requirements in draft form were distributed. Executive Secretary stated that hearings will be held on all islands and public notices will be published in the newspapers.

Suggestion was made to see Deputy Director John McConnell to get Department's comments to the justification and rationale submitted earlier in the month. The Commission decided to defer this matter for now.

Proposed Amendments to Chapter 20, Commission's Rules and Regulations

Edwin Shiroma reported that he will contact some of the industry people to get some input regarding the horizontal property regimes rules and regulations for the next Committee meeting.

The next Rules Committee meeting will be held on February 22, 1979 at Tropic Shores Realty, Inc. conference room at 9:30 a.m.

Time-Sharing Legislative Study Committee

Mary Savio reported that the Committee is pretty much through but is awaiting for one report to be turned in. They will meet once more to get everyone's approval before submitting the final time-sharing report.

Recovery Fund Report

Dillenbeck's Offer to Repay Recovery Fund

Executive Secretary read a letter from attorney Michael Gibson regarding the offer of partial payment of \$3,000 Dillenbeck is making to the Real Estate Recovery Fund. In it, he states that there is a misunderstanding of the terms. The offer was made with the intention that it would be a full settlement and it never was intended for partial satisfaction of the lien amount.

After discussion, Mary Savio moved and Edwin Shiroma seconded to advise Gibson that the offer is unacceptable. Motion carried unanimously.

Status Report

Executive Secretary reported that as of December 31, 1978, there is a balance of \$416,125.29 in the Real Estate Education Fund of which \$65,261.46 is set aside for the operation of the education program for the balance of the fiscal year. He also reported there is \$345,000 in time certificate deposits.

Attorney General's Report

There was nothing to report at this time.

Business Out
of Minutes:

CON-78-15 Atkinson Ventures

Executive Secretary apprised the members that at the December 15, 1978 meeting, the Commission decided to hold a hearing on this matter but failed to designate a hearings officer.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to appoint departmental hearings officer Darryl Choy to hear this matter. Motion carried unanimously.

Registration of Agricultural Condominium

At last month's meeting, Commission decided to invite attorney Hiroshi Sakai for further questioning on this matter.

After the question and answer period, Mary Savio moved and John Urner seconded to accept the agricultural farm concept being proposed by Hiroshi Sakai on condition that he submits a letter to Executive Secretary from Land Utilization Agency stating that they have no objection and that it meets all requirements of the H.P.R. law. Motion carried unanimously.

Performance Bond Requirement for Mililani Town, Inc. Condominium Registrations

Executive Secretary briefly gave background information when the staff had presented a problem regarding a condominium project where Mililani Town, Inc. was the developer and Oceanic Properties, Inc. was issuing the performance bond. It is an unique situation since the developer is also the contractor and as such could not bond themselves.

The Commission had decided to accept a 100% performance bond issued by Castle & Cooke, Inc. which they assumed was the parent company of Mililani, Inc.

Commission was subsequently informed by George Yim that there is no lender involved in the project; that Mililani Town, Inc. is a wholly-owned subsidiary of Oceanic Properties, Inc. and, in turn, Oceanic Properties, Inc. is a wholly-owned subsidiary of Castle & Cooke, Ltd. Yim submitted a certified copy of the financial statement of Oceanic Properties, Inc.

After deliberation and review of the financial statement, Edwin Shiroma moved and Mary Savio seconded to accept the performance bond issued by Oceanic Properties, Inc. with the additional assurance from Castle & Cooke, Inc. to guarantee the bond. Motion carried unanimously.

RE-78-49 Elliot Magoun dba Magoun Realty

Elliot Magoun appeared and brought with him the entire ledger and cancelled checks regarding the Suga account for Commission's perusal.

After going through each month's cancelled checks, the members still could not locate the missing one month's rental.

Tadayoshi Ishizu moved and Mary Savio seconded to give Magoun one month's time in which to search and submit the missing check. Motion carried unanimously.

Investigations: CON-77-19 Hugh Menefee Development Corp.

Following discussion, Toru Kawakami moved and Tadayoshi Ishizu seconded to accept the recommendation of the Complaint Review Committee to write a letter to Kopperud, attorney for Complainant

and inform him that due to lack of substantial evidence, the Commission will be forced to dismiss this complaint unless he provides further evidence of misrepresentation. A time limit to February 28 will be given to present further evidence. Motion carried unanimously.

RE-77-129 Harold L. Fuller

As recommended by the Complaint Review Committee, Mary Savio moved and Toru Kawakami seconded to refer this matter to the Committee for further study together with the assistance of Deputy Attorney General Randall Iwase. Motion carried unanimously.

RE-78-108 Edward A. Neizman of Kaiman Realty, Inc.

After discussion, Mary Savio moved and Tadayoshi Ishizu seconded to accept the recommendation of the Complaint Review Committee to write to Kaiman Realty to refund \$100 or be prepared to go to a hearing for possible violation. Motion carried unanimously.

RE-78-110 Russell A. Meyers dba Meyers Realty

Following discussion, Mary Savio moved and Toru Kawakami seconded to accept the Complaint Review Committee's recommendation to dismiss complaint as no violation was found. Motion carried unanimously.

RE-78-121 Blue Water Properties, Inc.

After discussion, Toru Kawakami moved and John Urner seconded to accept the recommendation of the Committee for further investigation to determine (1) if Tom Street or anyone verbally notified the Haleys that their offer was accepted before 5:00 p.m., April 20, 1978 and how were they informed and what proof; and (2) did Tom Street give a copy of the accepted contract to Haleys and, if so, when. Motion carried unanimously.

RE-78-131 Dave Ford Real Estate

After discussion, Tadayoshi Ishizu moved and Edwin Shiroma seconded to accept the Complaint Review Committee's recommendation to hold an informal conference with Dave Ford on this matter and advise Young that the matter of unpaid sales commission is a civil matter. Motion carried unanimously.

RE-78-142 Mirikitani Realty

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to dismiss complaint as recommended by the Committee. There was no evidence to support the allegation of possible violations of Rule 1.3(n) and Rule 1.5(c). The matter regarding non-payment of sales commission is a civil matter. Motion carried unanimously.

CON-77-18 Frances Sueco

After discussion, Tadayoshi Ishizu moved and Edwin Shiroma seconded to accept the recommendation of the Complaint Review Committee to dismiss the complaint on the grounds that investigation indicates that Respondents were not acting as rental agents but acting as caretaker/custodian basis and only got paid for providing housecleaning services. Motion carried unanimously.

CON-78-27 Luko Realty, Ltd.

Upon the recommendation of the Complaint Review Committee, Edwin Shiroma moved and Mary Savio seconded to defer action on the matter for further investigation to be conducted of Luko Realty's clients' account to determine whether or not it is his practice to employ this scheme of collecting down payments toward the purchase of a condominium unit prior to issuance of a public report. Motion carried unanimously.

New Business:

LICENSING

Corporation

Barefoot Realty, Inc. - 4747 Kilauea Ave. #103, Honolulu
Christiane Friese, pb

Charter Realty, Ltd. - 2119 Kalakaua Ave., Honolulu
Joseph Y. Sotomura, pb

Commercial & Industrial Properties, Ltd. - 2828 Paa St., #1003,
James A. Patterson, pb Honolulu

Anne Furtick, Ltd. - 1860 Ala Moana Blvd., #414, Honolulu
Annella Furtick, pb

Hawaii Management Corporation - 1221 Kapiolani Blvd. #700, Hon.
John S. Parker, pb

Peter Hsi Realty, Inc. - 677 Ala Moana Blvd. #1010, Honolulu
Peter H. Y. Hsi, pb

International Pacific Properties, Inc. - 999 Wilder Ave., #1402,
Harold C. Lundburg, pb Honolulu

Jackson, Inc. - 4747 Kilauea Ave. #103, Honolulu
Suzanne E. Jackson, pb

Jeschke Realty, Inc. - 75-5864 Waiua Rd, Box 1507, Kailua-Kona
Paul F. Jeschke, pb

Kahualani Corp. - Kuakini Professional Center, 77-6399 Nalani
John J. Fitzgibbons, Jr., pb St., Kailua-Kona

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Noble Kawai Realty, Inc. - 747 Amana St. #218, Honolulu
Noble M. Kawai, pb

R. T. F. Lum, Inc. - 1914 S. King St., #205, Honolulu
Richard T. F. Lum, pb

MJB Real Estate, Inc. - 345 Kekuanaoa St., Hilo
James M. Winniman, pb

Maui Trans-Pacific Properties, Inc. - 975 Limahana Place,
Everett G. Flanders, pb Lahaina

McMahon Realty, Inc. - Kuakini Professional Plaza, 77-6399 Nalani
Francis V. McMahon, pb St., Kailua-Kona

Karen Nakagawa Realty, Inc. - 747 Amana St. #218, Honolulu
Karen S. Nakagawa, pb

PTC Property Management Corp. - 1015 Bishop St., #480, Honolulu
Sydney L. Arth, pb

Helen Price, Inc. - 6650 Hawaii Kai Dr., #200, Honolulu
Helen Price, pb

Project Management & Development Corporation - Kahului Bldg, #310
Wilbur F. Daily, Jr. pb 33 Lono Ave, Kahului

Property Services Co., Inc. - 360 Papa Place, Kahului
Vaughn O. Morrison, pb

Larry Redden Realty, Inc. - 307 Uluniu St., Kailua
Lawrence E. Redden, pb

Royal Hawaiian Properties, Inc. - 85-833 Farrington Hwy, #201,
Glenda S. Kwock, pb Waianae

Sawyer Realty, Ltd. - 925 Bethel St., #209, Honolulu
Stephen T. Sawyer, pb

Shea-Pacific Realty, Ltd. - 2828 Paa St., #3190, Honolulu
Joseph T. Shea, pb

The Special Group Investment Corporation - 745 Fort St., #2108,
J. Allen Perkins, pb Honolulu

TBL Realty, Inc. - 1276 Young St., Honolulu
Gerald M. Miura, pb

Earl Thacker Maui, Inc. - 33 Lono Ave. #260 Kahului
Stephen F. Parker, pb

Veterans Realty, Inc. - 98-08r Kam Hwy, #302, Territorial Savings
James T. Haro, pb Bldg, Aiea

Stewart Wade, Ltd. 25 Kaneohe Bay Dr., Kaneohe
Stewart L. Wade, pb

Wharfside Brokerage Co., Inc. - 841 Bishop St., #2001, Honolulu
Jeffrey S. Grad, pb

Edwin Shiroma moved and Toru Kawakami seconded to approve the above applications for corporate licenses. Motion carried unanimously.

ADM International, Ltd. - Pacific Trade Center #1180, Honolulu
John S. Kay, pb

Mary Savio moved and Edwin Shiroma seconded to defer the application for the following reasons: (1) similarity of name to ADM Realty, Inc. and (2) find out whether John Kay resides on island of Oahu. Motion carried unanimously.

Aina Nani Realty, Inc. - 45 Silva St., Hilo
Tsugio Tanigawa, pb

Mary Savio moved and Edwin Shiroma seconded to deny the application of Aina Nani Realty, Inc. on the basis that the office is not in the properly zoned area. Motion carried unanimously.

The Mark-Paul Corporation - 745 Fort St. #2121, Honolulu
Mary Long, pb

Mary Savio moved and Tadayoshi Ishizu seconded to defer the above application to ascertain who is Mark and who is Paul? Motion carried unanimously.

The McCormack Company, Ltd - 841 Bishop St., #2000, Honolulu
Mark Kallenberger, pb

Edwin Shiroma moved and John Urner seconded to deny the above application on the basis that it is too similar to McCormack Realtors. Motion carried unanimously.

Spalding Realty, Inc. - Kuakini Professional Plaza, 77-6399 Nalani
James S. Spalding, pb St., Kailua-Kona

Spalding Realty, Ltd. - P. O. Box 325, Hana, Maui
Michael S. Spalding, pb

As the above corporate applications had similar names, Mary Savio moved and Tadayoshi Ishizu seconded to authorize Executive Secretary to try and resolve the matter by checking with the Business Registration Division. Motion carried unanimously.

Partnership

Harbor Commercial Company - 345 Queen St., #820, Honolulu
Monroe S. Townsend, pb

It was moved by Toru Kawakami and seconded by Edwin Shiroma to approve the above application. Motion carried unanimously.

Branch Office

Amaral-Cole Div. Amaral-Cole Land Co., Inc. - Azeka Place Shopping Ctr #206, Kihei
Lewis Howard, Jr., bic

Blue Water Properties, Inc. - 1750 Kalakaua Ave. #2203, Honolulu
Tom W. Street, bic

Sam Daily Realty, Inc. - 1750 Kalakaua Ave., #202, Honolulu
Sandra D. Garcia, bic

Herbert K. Horita Realty, Inc. - 2500 Kalakaua Ave., Honolulu
Robert M. Takamine, bic

Locations, Incorporated - 320 Ward Ave., #101, Honolulu
Rodney S. Mukai, bic

Stapleton Associates, Ltd. - 1993 So. Kihei Rd #206, Kihei
Laurance E. Mathews, bic

Mary Savio moved and John Urner seconded to approve the above applications for branch offices. Motion carried unanimously.

Tradename

Arakawa & Associates - 301 Ala Moana Blvd #12, Honolulu
Dave Y. Arakawa, dba

Peggy Arata - 4614 Kilauea Ave. #112, Honolulu
Margaret Arata, dba

Erickson Associates - 444 Hobron Ln #405, Honolulu
Gwynne Erickson, dba

Goldenwest Realty - 116 S. King St., #417, Honolulu
Joseph Fedorka, dba

Golding & Associates Realty - 745 Fort St., #418B, Honolulu
David R. V. Golding, dba

Mel Iguchi - 4747 Kilauea Ave. #205, Honolulu
Melvin T. Iguchi, dba

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Intercontinental Realty - 1777 Ala Moana Blvd., #101, Honolulu
I/C Realty, Inc. Frank J. Slago, pb

Stuart Johnson Realty - 767 Kailua Rd, Kailua
Stuart M. Johnson, dba

Katt Realty - 119 Merchant St., #309, Honolulu
Alvin A. Katt, dba

George Kawamura Realty - 3878 Hanapepe Rd., Hanapepe
George S. Kawamura, dba

Tom Kukino Realty - 1400 Kapiolani Blvd #B37, Honolulu
Tsutomu Kukino, dba

RM & Associates - 1580 Makaloa St., #816, Honolulu
Richard E. Mar, dba

Sachi's Realty - 735 Kupulau Rd., Hilo
Sachi Su Ko, dba

Kim Woolaway - 700 Bishop St., #1900, Honolulu
James M. Woolaway, dba

Ben Yamamoto Realty - 345 Queen St., 8th Flr, Honolulu
Ben M. Yamamoto, dba

Daniel Y. N. Yee Real Estate Broker - 700 Richards St., #1203,
Daniel Y. N. Yee, dba Honolulu

The Young Associates - 1221 Kapiolani Blvd, #843, Honolulu
Charles S. C. Young dba

Earl Younker Enterprises Realty - 75-5653-C OIii Rd., Kailua-Kona
Earl J. Younker, dba

Mits Omori - 1287 S. King St., Ste 2, Honolulu
Mitsuru Omori, dba

Tropic Isle Realty - 444 Hobron Ln #405, Honolulu
Polly Gateley, dba

Moved by Edwin Shiroma and seconded by Tadayoshi Ishizu to approve
the above tradename applications. Motion carried unanimously.

Corporate Name Change

William J. Hart & Associates, Inc. dba Ginger Realty - 810 Richards
(formerly Bill Hart Ltd.) St. #804, Hon.

Westcott-Goldstein & Associates, Inc. - 2222 Kalakaua Ave., #1507,
(formerly Westcott & Associates, Inc.) Honolulu

Mary Savio moved and Edwin Shiroma seconded to approve these corporate name changes. Motion carried unanimously.

Application for License - (past 1 year)

Blossom S. Asato

Mary Savio moved and Toru Kawakami seconded to deny application for license based on Rule 3.1(f). Motion carried unanimously.

Guy Chu

On motion by Mary Savio, seconded by Edwin Shiroma, Guy Chu's application for real estate salesman license was denied on the basis that application was filed beyond the 1 year limitation. Motion carried unanimously.

Lorn B. Dawes

Mary Savio moved and Tadayoshi Ishizu seconded to deny Lorin Dawes' application for real estate salesman license based on Rule 3.1(f). Motion carried unanimously.

Morris M. Nakamura

Mary Savio moved and Edwin Shiroma seconded to deny the above application for real estate salesman license on the grounds that application was filed beyond the 1 year limitation. Motion carried unanimously.

JoAnn G. Waugh

Mary Savio moved and Tadayoshi Ishizu seconded to deny JoAnn Waugh's application for real estate salesman license based on Rule 3.1(f). Motion carried unanimously.

Susan A. Wilson

Mary Savio moved and Tadayoshi Ishizu seconded to deny Susan Wilson's application for real estate broker's license on the basis that application was filed beyond the 1 year period. Motion carried unanimously.

Executive Session:

At 1:45 p.m., Edwin Shiroma moved and John Urner seconded to go into executive session to get clarification of Rule 1.9, Reinstatement of Suspended License from a deputy attorney general. Motion carried unanimously.

End of Executive Session:

At 2:00 p.m., Edwin Shiroma moved and John Urner seconded to go out of executive session and back into regular meeting. Motion carried unanimously.

Miscellaneous: Les Glaspey's Request for Waiver of Broker Experience Requirement

Les Glaspey had submitted certificates of courses taken and requested the Commission to waive whatever credits can be given toward the broker experience requirement.

After review of the documents, the Commission were of the opinion that none of the courses qualify for waiver. Les Glaspey to be advised that none of the courses appear to be applicable toward professional designation and, therefore, does not qualify for experience waiver.

George Dyer's Request for Conference to Discuss Century 21 Franchise

Executive Secretary read George Dyer's letter requesting a conference to discuss with someone regarding Century 21 Franchise.

After discussion, John Urner moved and Edwin Shiroma seconded to authorize Mary Savio and Executive Secretary to represent the Commission and meet with George Dyer to sit, review and discuss this matter. Motion carried unanimously.

Stapleton Associates Letter Regarding Solicitation of Condominium Sales Prior to Issuance of Public Report

Joan Oren, principal broker of Stapleton Associates, had called Executive Secretary in mid-January and questioned "What can we do?" regarding a grave issue, a violation of HPR rules and regulations. Their principal broker of Kaanapali, Maui branch office, without authorization, had mailed letters of solicitation on a Maui project to prospective purchasers prior to issuance of a public report.

Executive Secretary had suggested to Oren that she could reveal everything in writing, document it and place themselves at the mercy of the Commission. Subsequently a letter documenting the possible violation in chronological order was received. Approximately 700 to 800 letters of solicitation were mailed, mostly to mainland and Canadian prospective purchasers. Oren have stated that steps to rectify the matter has been taken and gave assurance that it will never be repeated.

Ralph Yagi excused himself from discussion on this matter because he was involved in the sale of the property. Chair excused Ralph Yagi.

After a lengthy discussion, Mary Savio moved and Tadayoshi Ishizu seconded to issue a letter of warning to Stapleton Associates and inform them that should any checks be received from the response to the solicitation letters, it must be returned with proper explanation. Motion carried. Ralph Yagi abstained.

Dorothy Connell Regarding Real Estate "Exchange Letter"

Executive Secretary read a letter from Dorothy Connell proposing a monthly publication listing properties for exchange amongst the licensees for a fee of \$5.00. This is similar to MLS.

After discussion, the Commissioners' general consensus was that if the monthly publication is only distributed among the licensees, there is no violation.

E.T.S. RELE Committee Meeting - May 13-15, 1979

Executive Secretary announced that the next E.T.S. RELE Committee Meeting will be held in Princeton, New Jersey on May 13-15, 1979. E.T.S. will pay for 2 persons.

Mary Savio moved and John Urner seconded to have Edwin Shiroma and Executive Secretary represent Hawaii. Motion carried unanimously.


Announcement: Commission's Parking Permit

Executive Secretary announced that parking spaces for board and commission members are limited since the Legislature convened but we have been notified that fixing of parking violations is out. Administrative Services Office advised to use the parking facilities next door and obtain receipt for reimbursement.

Date of Next Meeting: February 23, 1979, at 9:00 a.m.
Board Room

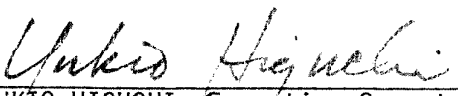
Adjournment: There being no other business to transact, the meeting was adjourned at 3:20 p.m.

Taken and recorded by:



Saeko Whang, Secretary

Approved by:



YUKIO HIGUCHI, Executive Secretary