

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

MINUTES OF MEETING

Date: Friday, February 23, 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

Jeff Grad, Attorney for McCormack Real Estate Company, Ltd.
Elliot Magoun, Respondent
Thomas Jordan, Attorney for E. Magoun
Margo Walker, Statistician with Thomas Jordan
George Dyer, Attorney representing Century 21 Real Estate Corp.

Call to Order: There being a quorum present, Chairman Ah Kau Young called the meeting to order at 9:03 a.m.

The Executive Secretary apprised that the agenda for today's meeting was duly processed on Tuesday, February 20, 1979, at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Corrections to the minutes of January 26, 1979 were noted on page 11 following the heading "End of Executive Session" wherein action taken regarding reinstatement of licenses of Harold Fuller and James Singleton were inadvertently omitted.

The minutes to be amended and read as follows:

"Application of Reinstatement

Harold L. Fuller, Sr.
James S. Singleton

Motion by Edwin Shiroma and seconded by Tadayoshi Ishizu to approve the applications for reinstatement for Harold Fuller and James Singleton. Motion carried unanimously."

Edwin Shiroma moved and Toru Kawakami seconded to approve as amended the minutes of January 26, 1979. Motion carried unanimously.

Committee Reports:

Real Estate Education Advisory Council

Commission's News Bulletin

Executive Secretary reported that as recommended by Jerry Beam, he sent feelers to 3 different publishers to publish Commission's News Bulletin, Edwards Enterprises, Inc., Crossroads Press, and Tongg Publishing Co.

The following two proposals were received:

Edwards Enterprises, Inc.

\$1,970 for 17,000 copies
\$ 30 for each additional 500 copies

Crossroads Press

\$2,170 for 17,000 copies
\$ 9.50 for each additional 100 copies

Both firms would do the writing and mailing of the news letters but the other details will need to be discussed further. The first issue will be in June 1979.

Mary Savio moved and Edwin Shiroma seconded to give permission to Executive Secretary to proceed with the firm who will give the best service and cost after checking the unknown details. Motion carried unanimously.

Laws and Rules Review Committee

Proposed Amendments to Broker Education and Experience

Chairman Young relinquished the Chair to Vice Chairwoman Mary Savio while he made contact with Director Tany Hong to get Administration's direction regarding the above matter. This matter was deferred to a later time.

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

Committee Chairman Edwin Shiroma reported that the Rules Committee cancelled its February 22, 1979 meeting to prepare testimonies for legislative bills for this session.

Executive Secretary apprised the members that about 10 pages of the rules have been typed in draft form but due to the heavy legislative matters, he could not complete the remainder.

Edwin Shiroma announced that the next Rules Committee meeting will be held on March 29, at Tropic Shores Realty conference room at 9:30 a.m.

Recovery Fund Report

Elder vs. Singleton Associates, Inc. and James S. Singleton,
Civil No. 53909

Executive Secretary reported that he received notice from Sidney Ayabe, counsel for Real Estate Recovery Fund, directing payment of \$5,460.30 against Singleton Associates, Inc. and James S. Singleton.

It was moved by Edwin Shiroma, seconded by Toru Kawakami to approve payment from the Real Estate Recovery Fund. Motion carried unanimously.

Executive Secretary apprised the members that at last month's meeting, James Singleton's application for reinstatement was approved; however, upon receipt of the Court Order to pay from the Recovery Fund, he took it upon himself to stop process of license before staff could record and also checked it out with Deputy Attorney General Randy Iwase, on Section 467-18, H.R.S. Executive Secretary then sent a cease and desist letter as a broker to Singleton. The Commissioners were in agreement that Executive Secretary exercised good judgment on this matter.

At this point, Chairman Ah Kau Young resumed the Chair.

Hawaii Educators Ventures, Ltd. vs. Gwendolyn F. Bundy,
Civil No. 46686

Executive Secretary reported that a notice was received from Sidney Ayabe directing payment from the unpaid judgment - \$10,000 each to 2 claimants on this matter.

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

Attorney General's Report

In response to the Ethics Commission report, Executive Secretary requested Deputy Attorney General Randall Iwase's views on the matter regarding holding informal conferences.

Iwase recommended that the Commission discontinue holding informal conferences hereafter. He suggested that if Commission needed to gather facts, to use further investigation route but should not use that more than once. The Commission should then make a decision as to whether or not there is probable cause to go to a formal hearing.

Business Out
of Minutes:

Registration of Agricultural Condominium

At the January meeting, attorney Hiroshi Sakai was requested that he obtain a letter from Land Utilization Agency whether there is anything from their department's standpoint to prevent the establishment of this agricultural farm concept.

Sakai submitted a response letter dated January 30, 1979 from Tyrone Kusao, Director of Land Utilization, that the agricultural farm as described is permissible within the Ag 1 agricultural district zoning ordinance.

Executive Secretary was directed to notify Hiroshi Sakai to go ahead and file the registration.

Questionable Applications

The McCormack Real Estate Company, Ltd.

As this matter had been denied at the previous meeting, attorney Jeff Grad, representing The McCormack Real Estate Company, Ltd. appeared to discuss this matter.

Grad explained that this real estate firm is strictly for commercial brokerage purpose and is a separate corporation and not a division of Mike McCormack. Following the question and answer period, he was excused.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve application subject to receipt of a copy of assignment and transfer of stock certificate to McCormack. Motion carried unanimously.

Michael Spalding Realty, Ltd.

Spalding Realty, Ltd.'s corporate name was denied last month due to similarity of names. Therefore a new name under Michael Spalding Realty, Ltd. was submitted.

Mary Savio moved and Ralph Yagi seconded to approve application under the new name. Motion carried unanimously.

ADM International, Ltd.

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

This matter had been deferred at the January meeting due to similarity of name to ADM Realty, Inc.

Subsequently staff learned that ADM Realty, Inc. had changed its corporate name to Kay Investments, Ltd. Also, it was checked that John S. Kay does not live on Kauai but resides on Oahu.

On this basis, Toru Kawakami moved and Ralph Yagi seconded to approve the application of ADM International, Ltd. Motion carried unanimously.

RE-78-49 Elliot Magoun dba Magoun Realty

Elliot Magoun was requested to locate the missing one month's rental cancelled check at the last meeting. Thomas Jordan, his attorney, and Margo Walker, statistician, appeared with Magoun and brought the entire ledger and cancelled checks.

Jordan testified that there are 133 checks plus a security deposit check made payable to Suga and it verified with the bank statements.

Three Commissioners reviewed the ledger and cancelled checks once more and concurred that all the cancelled checks were there.

Edwin Shiroma moved and Toru Kawakami seconded to dismiss case subject to receipt of the schedule of all the security deposit list and the final accounting statement for transfer of funds to Lani Properties. Motion carried unanimously.

RE-78-131 Dave Ford Real Estate

Executive Secretary apprised the members that although the Commission had decided to hold an informal conference on this matter at the January meeting, he did not send a letter to Dave Ford after talking to Deputy Attorney General Randall Iwase.

After discussion, Commission decided to reconsider its action before reaching a decision. Therefore, Edwin Shiroma moved and Tadayoshi Ishizu seconded to rescind its previous motion of the January 26, 1979 meeting. Motion carried unanimously.

Following a lengthy discussion, Mary Savio moved and Edwin Shiroma seconded to send a letter to Dave Ford advising him that (1) the \$350 deposit money credited to the last month's rent properly belongs to the owner of the property; and (2) the matter of the loan to Mr. Young is a separate matter and should not be confused with the rental matter. Therefore, Mr. Ford should inform the Commission whether or not he has credited the \$350 to Mr. Young and, if not, why not. If so, the Commission would like a copy of the cancelled check with a letter concurring to the withheld fund by the owner. Motion carried unanimously.

Investigations: RE-78-71 (Supplementary No. 1) Joseph Kealoha, Jr., Joseph Kealoha, Inc.

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

dismissal of complaint on the basis that the investigation findings and depositions submitted by complainant appears to indicate that Respondent had not acted in a fraudulent, deceitful, or dishonest manner. Investigation revealed that, at the time Respondent entered into contract to purchase the property from the Garcias, he had not made any contact with the Bramans. Respondent's agreement to purchase the property from the Garcias was executed on December 16, 1977, whereas, the Bramans first learned about the property through a newspaper advertisement a few days prior to January 28, 1978. Motion carried unanimously.

RE-78-128 Edwin Aquiar, Jr.

After discussion, Edwin Shiroma moved and Mary Savio seconded to accept the recommendation of the Committee that this matter be set for a formal hearing for violation of Section 467-14 (14), H.R.S., and Rule 1.4, of Commission's rules and regulations and to designate departmental hearings officer, Darryl Choy, to hear the case. Motion carried unanimously.

RE-78-134 Kanaloa Realty and Property

After discussion, Mary Savio moved and Edwin Shiroma seconded that a letter is to be forwarded to the attorney of Respondent advising that his request to hold this matter in abeyance has been denied, and should they refuse to cooperate with the investigation and fail to respond within fifteen days, the Commission will proceed to a formal hearing based solely on the information presently in the hands of the Commission. Motion carried unanimously.

RE-78-149 J. R. Real Estate, Inc. and Patricia A. Smith

Following discussion, Mary Savio moved and Toru Kawakami seconded to accept the recommendation of the Complaint Review Committee for dismissal of complaint due to insufficient evidence that Respondents failed to honor a verbal promise to discount \$1000 off the sales commission for the sale of the Pahumele Place property. Motion carried unanimously.

RE-78-154 Brilhante Hawaii, Inc.

Motion by Mary Savio, seconded by Toru Kawakami to accept Committee's recommendation for dismissal of complaint as there is no set policy as to sales commission rate, and the commission paid was the amount agreed upon. Motion carried unanimously.

RE-78-155 Baldwin Realty and Bennet M. Baldwin

After discussion, Toru Kawakami moved and Tadayoshi Ishizu seconded to accept Complaint Review Committee's recommendation that complainant be requested to submit copy of his survey map and legal descrip-

tion which was done when he originally purchased the property together with the title search report, copy of building permit for guest house, copy of the listing agreement between Complainant and the Kitchens. Without the foregoing documents, the Commission will be unable to continue with its investigation on the complaint. Unless the complainant responds to the request for documents within 30 days, the Commission will dismiss the complaint. Motion carried unanimously.

RE-79-24 Alvin Inouye and Kenneth Fujiyama Realty, Inc.

Tadayoshi Ishizu moved and Ralph Yagi seconded to accept the recommendation of the Committee for dismissal of complaint on the basis that no false statement regarding the commencement date for off-site improvements was found, and at no time did he have an accepted and binding contract to purchase at the stipulated price, because the seller never did execute the sales contract. Motion carried unanimously.

Deferred Matter:

Proposed Amendments to Broker Education and Experience

At approximately 1:30 p.m., Tany Hong, Director, appeared to present Administration's viewpoint on the increase in the number of hours to the broker educational requirement. Mr. Hong stated that the 240 hours might be a hardship for those who are working full time to acquire the necessary hours. He suggested lesser hours but said it is entirely up to the Commission to go to a hearing first.

After discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to form a committee of three Oahu members to meet with Deputy Director John McConnell to work out a compromise. Motion carried unanimously.

New Business:

LICENSING

Corporation

Austin Realty, Inc. - 98-1247 Kaahumanu St., Newton Square,
Duane F. Austin, pb Ste 310F, Aiea

Blesi Properties, Inc. - 745 Fort St., #302, Honolulu
Joyce Ann Blesi, pb

Bridgestone Realty Corporation - 850 Kapiolani Blvd. Ste 204
Edith T. Ishibashi, pb Honolulu

C & C Realty, Inc. - 130 Merchant St., #1000, Honolulu
John K. Cheo, pb

Cavanah Associates, Inc. - 745 Fort St., Ste 208, Honolulu
Dolores Cavanah, pb

- Billy Chee, Inc. - 1399 Hunakai St., Honolulu
William S. Chee, pb
- Lei Devine & Associates, Inc. - 46 Waianuenu Ave., Hilo
Deinaala M. Devine, pb
- Direction Realty, Inc. - 2080 So. King St., #207, Honolulu
Arthur G. T. Kam, pb
- Gene George, Inc. - 75-5719 Alii Dr., Ste 117, Kailua-Kona
Henry E. George, pb
- Grass Shack Realty, Inc. - 1993 So. Kihei Pd, Ste 210, Kihei
Joseph Kahauolopua II, pb
- Gray Realty, Inc. - 841 Bishop St., #2102, Honolulu
Lois Margaret Bruce pb
- Danny Hashimoto Realty, Inc. - P. O. Box 1992, Lihue
Daniel T. Hashimoto, pb
- Hawaii Kashima Development, Inc. - 49 So. Hotel St., Ste 212
George M. Furuuchi, pb
- Johnson Associates, Inc. - 700 Bishop St., Ste 1900, Honolulu
J. Allen Johnson, pb
- Kokua Realty, Inc. - 21112 Kaohu St., Wailuku
Aileen M. Unemori, pb
- Lahaina Town Brokerage, Inc. - Internat'l Savings & Loan Bldg,
Patrick T. Sullivan, pb 930 Wainee St., Lahaina
- Don Lewis, Inc. - 1339 Hunakai St., Honolulu
Donald A. Lewis, pb
- Lucky Realty, Inc. - 1650 Liliha St., Ste 206, Honolulu
Peter T. Namkoong, pb
- River Maus Real Estate, Inc. - Sheraton Waiakea Village 400
River Robert Maus, pb Hualani St., #213, Hilo
- Tia Nakanelua, Inc. - 6650 Hawaii Kai Dr., Ste 200, Honolulu
Judith A. "Tia" Nakanelua, pb
- Puna Realty Corporation - Hwy 13, Box 463, Pahoa
Virginia C. Lee, pb
- Steve Rosen's Auction Realty, Ltd. - 1022 Bethel St., Ste 200
Steven M. Rosen, pb Honolulu
- Roy & Associates Realty Co., Inc. 1150 So. King St., Ste 1100
Roy U. Omoto, pb Honolulu

Royal Polynesian Realty, Inc. - 635 Luakini St., Lahaina
Barbara Kihune, pb

Lynn Von Blee's Ltd. dba My Realty Co. - 95-390 Kuahelani Ave.
Frederick J. Lynn, pb Mililani

Statewide Realty, Inc. - 69 Church St., Wailuku
Edwin Y. Emoto, pb

First Kihei Realty, Inc. - 2387 So. Kihei Rd., Kihei
James E. Chisholm, pb

Mary Savio moved to approve the above applications for corporate licenses with the exception of the problem ones mentioned below subject to Executive Secretary checking into it to see whether or not any discrepancy exists:

Gene George, Inc.
Gray Realty, Inc.
Hawaii Kashima Development, Inc.
Kokua Realty
Lynn Von Blee's Ltd. dba My Realty Co.

Motion was seconded by Tadayoshi Ishizu and unanimously carried.

Branch Office

Bennett M. Baldwin dba Baldwin Realty - 33 Market St., Ste 101
Jane Rivas, bic Wailuku

Clint Childs, Inc. - 1221 Kapiolani Blvd., Honolulu
D. Brodie Spencer, bic

Ester Chu Realty, Inc. - 6650 Hawaii Kai Dr., Ste 108, Hon.
Shirley J. Aquino, bic

Inglott Real Estate Co., Inc. - 17 Furneaux Lane, 2nd Flr, Hilo
Paul S. Tallett, bic

Mike McCormack a div. of McCormack Hawaii, Ltd. - 4-1177 Kuhio
William B. Smith, bic Hway Kapaa

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

Tradename

Han Mi Realty Co. - 301 Arcade Bldg., Honolulu
Thomas Y. Yoon dba

Mary Jean Ignacio Realty - 614 Kilauea Ave., Ste 4, Hilo
Mary Jean Ignacio, dba

Mike Kirkeby Associates - 1314 So. King St., #720
Myron O. Kirkeby, dba

Kohala Coast Properties - Lot C-284 Pau Nani St., Waikoloa Village,
Beth B. Lagrimas, dba Kamuela

Betty Ontai Realty - 1481 So. King St., #438
Betty L. Ontai, dba

SGI Realty - 745 Fort St., #2108, Honolulu
The Special Group Investment Corp. dba J. Allen Perkins pb

Mary Savio moved and Ralph seconded to approve the above trade-
names with the exception of Han Mi Realty Co. and Mike Kirkeby
Associates on the condition that Executive Secretary be autho-
rized to proceed after checking that it does not represent the
names of unlicensed individuals. Motion carried unanimously.

Corporate Name Change

Sandy Bell Realty, Inc. - 629 A Kailua Rd #6, Kailua
(formerly Sandy Bell, Inc.)

Landpoint Corporation - 1144 10th Ave., Ste 202, Honolulu
(formerly Rank Properties, Inc.)

Ralph Yagi moved and Mary Savio seconded to approve the above
two corporate name changes. Motion carried unanimously.

Restoration of Forfeited License (past 2 years)

Lorraine S. K. Lau

Upon motion by Mary Savio and seconded by Ralph Yagi, Lorraine
Lau's real estate salesman application for restoration of
forfeited license was approved. Motion carried unanimously.

Reginald D. Manaku

Mary Savio moved and Ralph Yagi seconded to approve Manaku's
application for restoration of forfeited real estate salesman
license.

Application for License (late - past 1 year)

Patricia W. Buckman - broker

Edwin Shiroma moved and Tadayoshi Ishizu seconded to deny
Patricia Buckman's application for real estate broker license
based on Rule 3.1(f). Motion carried unanimously.

Hans J. Robak - salesman

Mary Savio moved and Edwin Shiroma seconded to deny Hans J. Robak's application for real estate salesman's license on the basis that application was filed beyond the 1 year period. Motion carried unanimously.

Carl R. Yamaguchi - salesman

It was moved by Edwin Shiroma, seconded by Tadayoshi Ishizu to deny Carl Yamaguchi's application for salesman's license based on Rule 3.1(f). Motion carried unanimously.

Miscellaneous: Questionable Applications

John P. Karbens (Salesman Exam)

Executive Secretary read a letter from Karbens requesting waiver of education requirement.

Following a lengthy discussion, Mary Savio moved and Edwin Shiroma seconded to deny the request of John Karbens on the basis that it does not fall in the rules and regulations pertaining to education equivalency. Motion carried unanimously.

Craig S. Cornell (Salesman Exam)

Ralph Yagi moved and Edwin Shiroma seconded to deny Craig Cornell's request for educational waiver. Motion carried unanimously.

Kenneth T. Hansen (Salesman License)

Hansen's application for real estate salesman's license revealed that he was convicted due to mail fraud and is still serving probation.

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to defer this matter for insufficient information pending receipt of explanatory material. Motion carried unanimously.

Letter of Interest Form of Grass Shack Realty, Inc.

Executive Secretary read letter from Joseph Kahauolupua II regarding solicitation of letters of interest from prospective purchasers prior to the issuance of Commission's public report. Kahauolupua also submitted a form entitled "Letter of Interest."

After discussion, Mary Savio moved and John Urner seconded that Kahauolupua be advised that the Commission, after review of the form, feels that this practice is out of order inasmuch as it

specifically identifies a particular project and location. Motion carried unanimously.

Century 21 Request for Ruling

George L. Dyer, Jr., attorney representing Century 21 Real Estate Corporation, appeared and distributed copies of his testimony. He stated that he is looking forward to meeting with Mary Savio and the Executive Secretary and left soon thereafter.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to reaffirm its earlier decision to have Mary Savio and Executive Secretary meet with Mr. Dyer and that they have the full right to study, make decision and report back on this matter. Motion carried unanimously.

State Ethics Commission Report on Professional & Vocational Licensing Boards

The Commission has completed drafting its reply to the adverse comments of the State Ethics Commission Report and is ready for typing.

Request for Rule Amendments by Senators Neil Abercrombie and Anson Chong

Senators Abercrombie and Chong had written to Chairman Young regarding the Pinao Street Tenants Association relative to conversion to condominium. Copies of the letters were circulated earlier.

After discussion, Chairman Young was requested to acknowledge letters to Senators Abercrombie and Chong advising them that this matter will be referred to the Rules Review Committee for further review and study. If need be, Commission should request for a written opinion from the Attorney General.

Communications: NARELLO Western District Letter of February 8, 1979

Correspondence was received notifying that Jeanne Hannafin, president-elect to the NARELLO Western District, is leaving for another position and that Stan Roberson should be nominated in her place. The Commissioners were in unanimous agreement to nominate Stan Roberson.

Date of Next Meeting: March 30, 1979, at 9:00 a.m.
Board Room, 1010 Richards Street

Adjournment: There being no other business to transact, the meeting was adjourned at 3:40 p.m.

Approved by:

Yukio Higuchi
YUKIO HIGUCHI, Executive Secretary

Taken and recorded by:

Saeko Whang
Saeko Whang, Secretary