

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

MINUTES OF MEETING

Date: Friday, March 30, 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

Yukio Higuchi, Executive Secretary
Saeko Whang, Secretary

John Reilly, President, RESAH
Joseph Choy, Director, S.B.M.P., U. of H.
Violet King, Applicant for real estate broker's license

Call to Order: There being a quorum present, Chairman Ah Kau Young called the meeting to order at 9:10 a.m.

The Executive Secretary apprised that the agenda for today's meeting was duly processed on Tuesday, March 27, 1979, at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Edwin Shiroma moved and Toru Kawakami seconded to approve the February 23, 1979 minutes as circulated. Motion carried unanimously.

Committee Reports: Real Estate Education Advisory Council

Application for Certification of Instructors

Ronald G. Li (broker & salesman courses)

As recommended by the Executive Secretary, Edwin Shiroma moved and Ralph Yagi seconded to approve Ronald Li's application for certification as a real estate salesman and broker instructor subject to receipt of evidence that he has been licensed as an instructor by DOE. Motion carried unanimously.

Richard W. Daggert (broker and salesman courses)

Upon the recommendation of Executive Secretary, Toru Kawakami moved and Ralph Yagi seconded to approve Richard Daggert's application for certification for real estate salesman and

broker instructor subject to receipt of evidence of licensure from DOE. Motion carried unanimously.

Application for Accreditation of School

Richard Daggert School of Real Estate (broker & salesman courses)

As there appeared to be an absence of the broker curriculum, Executive Secretary recommended approval of the salesman course only.

Ralph Yagi moved and Tadayoshi Ishizu seconded to approve Richard Daggert School of Real Estate to teach the salesman course but the broker course to be held in abeyance until the broker course outline, curriculum and syllabus are submitted for review. Motion carried unanimously.

On another motion, Ralph Yagi moved and Tadayoshi Ishizu seconded to allow Mary Savio and Executive Secretary the authorization to review the broker course material and to proceed for its approval or disapproval. Motion carried unanimously.

Real Estate Chair

Replacement of Dr. Mike Miles for Dr. William Kinnard for Fall 1979

Motion by Edward Shiroma, seconded by Tadayoshi Ishizu to approve the replacement of Dr. Mike Miles for Dr. William Kinnard for Fall 1979. Motion carried unanimously.

Appointment of Dr. James Graaskamp for 1-month period during Spring 1980

The Commissioners were in agreement to inform Dean David Heenan that Commission is not in favor of short-term appointments.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve appointment of Dr. James Graaskamp for 1 month period during Spring 1980 provided Graaskamp conducts 6 seminars - 2 for Oahu and neighbor islands. Motion carried unanimously.

On a second motion, Mary Savio moved and Edwin Shiroma seconded to request Dr. Graaskamp to conduct seminars on the topic of "Redefinition of Real Estate Principles" as it would appeal to more people. Motion carried unanimously.

Appointment of Dr. Chris Mades for 10-day period

After discussion, Mary Savio moved and Ralph Yagi seconded to approve appointment of Dr. Chris Mades if Dean David Heenan

can arrange to have sufficient period to hold seminars on all islands. Motion carried unanimously.

Dean Heenan's request for reconsideration of Commission's demand for refund of unexpended funds at end of 1978

Commission had requested a refund of the unexpended balance from Dean Heenan. Subsequently a letter requesting reconsideration of this matter was received.

Executive Secretary, in checking with Department's accountant, learned that this appeared to be an outright grant, and therefore recommended Commission should rescind the request for refund of unexpended funds.

Mary Savio moved and Ralph Yagi seconded to consider the Real Estate Chair funding to be an outright grant and not seek a refund. Motion carried unanimously.

S.B.M.P. Certificate Program in Transactions

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

Joseph Choy, Director of S.B.M.P., gave a progress report on the courses given at present on the topic of Transactions. He stated that approximately 130 students have taken the course, predominantly licensees. The reactions received were good and that it was very well accepted.

The Commissioners were in agreement that Joseph Choy is doing a good job.

Laws and Rules Review Committee

Proposed Amendments to Broker Education and Experience Requirements

Education Chairman Mary Savio and her Committee met with Director Tany Hong last Tuesday to discuss this matter and that the Commission would like to go to public hearings on the proposed 240 hours. After conducting the hearings on all 4 neighbor islands, the Commission will seriously study the matter and, based on the testimonies received, the Commission would decide on the number of hours to the broker education. Director Tany Hong agreed that this is the best approach.

Mary Savio moved and Edwin Shiroma seconded that the Executive Secretary be directed to publish notices of public hearings on all 4 neighbor islands for the proposed amendments to broker education and experience requirements and that the public hearings be set during the period between May 28 thru June 11, 1979 and, if possible, to fund the cost of hearings from the Real Estate Education Fund. Motion carried unanimously.

Executive Secretary requested the island Commissioners to check out the facilities for his respective island and make the necessary arrangements to hold public hearings and, if need be, the island investigators may be requested to assist. Possibly the first public hearing will be held on Kauai, then Maui, Hilo and Kona.

Ralph Yagi moved to have 2 representatives from Oahu go to the neighbor islands, either Edwin Shiroma or Mary Savio plus the Executive Secretary and also to have the respective island Commissioner as a support person. It was seconded by Tadayoshi Ishizu and unanimously carried.

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

Committee Chairman Edwin Shiroma reported that Committee had gone over Part I of the proposed changes that were previously worked on and made some added changes. Next month, Committee will proceed on to reviewing Part II.

Edwin Shiroma announced that the next meeting will be held on April 26, 1979.

Attorney General's Report

Inasmuch as Deputy Attorney General Randall Iwase was not able to attend, there was nothing to report.

Business Out
of Minutes:

RE-78-49 Elliot Magoun dba Magoun Realty

Subsequent to the February 23, 1979 meeting, Elliot Magoun's attorney, Thomas Jordan, submitted the recapitulation of security deposits for Commission's review. Commissioners Edwin Shiroma, Mary Savio and Toru Kawakami reviewed it and found it to be in order.

Edwin Shiroma moved and Mary Savio seconded to accept the schedule of security deposits and to dismiss and close the matter on the basis that there was no violation. Motion carried unanimously.

RE-78-108 Kaiman Realty

At the January 26, 1979 meeting, Commission had requested Kaiman Realty to refund \$100 to Max Michelow or be prepared to go to a hearing.

In response, Neizman attached the uncashed deposit check of \$100. Based on this evidence, Edwin Shiroma moved and Ralph Yagi seconded to dismiss complaint. Motion carried unanimously.

Hearing Demand of Guy Chu (Salesman applicant)

Guy Chu's real estate salesman license was denied at the January meeting. Subsequently a hearing demand was received.

Executive Secretary did not have an opportunity to contact Chu before the meeting but will present Chu with the option of an informal conference or a formal hearing. It was so moved by Mary Savio, seconded by Edwin Shiroma and unanimously carried.

Investigations: RE-77-129 Harold L. Fuller

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the recommendation of the Complaint Review Committee that this matter be set for a formal hearing for possible violations of Section 467-14 (1), (2), (3), (7), (8), and (12), H.R.S. and designate departmental hearings officer, Darryl Choy, to hear the case. Motion carried unanimously.

RE-78-80 Rod Burgess Realty, Inc.

After discussion, Edwin Shiroma moved and John Urner seconded to accept Complaint Review Committee's recommendation to hold a formal hearing against Patrick Sheather for violation of:

- 467-14(7) failing to account for monies belonging to others;
- 467-14(8) any other conduct constituting fraudulent or dishonest dealings;
- 467-14(12) violating this chapter or the rules and regulations;
- 467-14(14) commingling money of his principal with his own;
- and any other violation.

Also to hold a formal hearing against Rod Burgess Realty, Inc. for violation of:

- 467-14(2) making false promise concerning real estate transaction likely to mislead another;
- 467-1(3) and Rule 1.2(g) and 1.3(b) for failing to supervise the real estate activities of Sheather, and failing to take corrective action;
- Rule 1.4(a) and (b) for failing to keep record of this transaction and failure to place clients' money into clients' trust account;

and to appoint departmental hearings officer to hear the case. Motion carried unanimously.

RE-78-121 Blue Water Properties, Inc.

Following discussion, Ralph Yagi moved and Toru Kawakami seconded to hold a formal hearing against Daugherty and Street for violation of Rule 1.3(f), in that he failed to deliver a copy of the acceptance to purchaser and to designate departmental hearings officer to hear the case. Motion carried unanimously.

RE-78-148 Sleeping Giant Realty

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the Complaint Review Committee's recommendation to hold a formal hearing against James C. Blackwell, Jr., general partner of Poipu Racquet Club Townhouse Condominium for violation of Section 514A-31, in that they offered for sale units in the project prior to the issuance of a Commission's public report on the project. Also recommend a formal hearing against Hardenbergh and Sleeping Giant Realty, Inc. for violation of Section 467-14(10) for allowing Blackwell, an unlicensed person, to the direct management of the real estate brokerage business and to designate departmental hearings officer to hear the case. Toru Kawakami abstained due to a possible conflict of interest as he was the one bringing the matter to the attention of the Commission. Ayes: Mary Savio, Ralph Yagi, Tadayoshi Ishizu, Edwin Shiroma and John Urner. Nays: None Motion carried.

RE-79-19 Kalama Realty

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the recommendation of the Committee that a letter of warning be issued for possible violation of Rules 1.3(b) and (f) for failing to ascertain all pertinent facts and for failing to put financial commitments in writing. Motion carried unanimously.

RE-79-21 Sleeping Giant Realty

Following discussion, Ralph Yagi moved and John Urner seconded to send a letter of warning to Sleeping Giant Realty for violation of Rule 1.11(a) and (b) in that they did not indicate salesman(s) or realtor associates (RA) after salesman named in the ad, and for failure to indicate whether properties are fee simple (FS) or leasehold (L). Motion carried unanimously.

CON-78-31 Regent Land Corporation

After discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to accept Complaint Review Committee's recommendation to dismiss complaint on basis that there is insufficient evidence that developer was acting fraudulently or dishonestly by rescinding the contracts and placing the units on the market again at a higher price. Motion carried unanimously.

New Business: LICENSINGCorporation

Ackerson Associates, Inc. - 4614 Kilauea Ave., #112, Honolulu
D. Diane Ackerson, pb

Aekai Realty, Inc. - 841 Bishop St., #2020, Honolulu
Louis E. Abrams, pb

Aikane Real Estate, Inc. - 677 Ala Moana Blvd. #916, Honolulu
Lynn L. Oakley, pb

Asia Pacific Properties, Ltd. - 309 Hahani St., Kailua
Joette K. Sugai, pb

B A & M Corporation - 345 Queen St., #301, Honolulu
Lynn Blakely, pb

Baptiste Enterprises, Ltd. - 1405 No. King St., Honolulu
Theodore A. Baptiste, pb

Black Gold Properties, Inc. - 75-159 Lunapule Rd., Kailua-Kona
Eugene D. Buffandeau, pb

Carpenter & McCloskey Realty, Inc. - 1600 Kapiolani Blvd, #1300
Sandra W. McCloskey, pb Honolulu

Chang Realty & Development, Inc. - 838 So. Beretania St., #300
Karl Chang, pb Honolulu

Hawaii Land Factors, Inc. - 33 Lono Ave., #240, Kahului
Keenan G. Eiting, pb

Island Brokerage, Ltd. - 7192 Kalaniana'ole Hwy #210, Honolulu
William N. Eddy, pb

Rich Jackson Realty, Inc. - 1339 Hunakai St., Honolulu
J. Richard Jackson, pb

Judson Investment Company, Inc. - 211 Lahaina Shp Ctr Off Bldg
Judson G. Vannoy, pb Lahaina

Landmark Properties, Ltd. - 677 Ala Moana Blvd., #204, Honolulu
Raphael S. Harper, pb

Herman Leong, Inc. - 99-128 Aiea Hghts Dr., #701C, Aiea
Herman Y. M. Leong, pb

Bob Lloyd Realty, Inc. - 5470 Koloa Rd, Box 996, Koloa
Robert W. Lloyd, pb

Peter W. McKenney, Inc. - 130 Merchant St., #1104, Honolulu
Peter W. McKenney, pb

Menehune Properties, Inc. - 1993 So. Kihei Rd, #211, Kihei
Charles E. Thorp, pb

Peter Moix & Associates, Ltd. - 98-084 Kam Hwy, #201, Aiea
Peter P. Moix, pb

Principal Properties, Inc. - 1314 So. King St., #1215, Honolulu
Arthur H. Higashide, pb

Properties Group, Inc. - 120 Pauahi St., #307, Hilo
Elizabeth Verity, pb

Realty International, Inc. - 1750 Kalakaua Ave., #504, Honolulu
Joseph V. Melillo, pb

Sasser Hawaii Realty, Inc. - 444 Hobron Lane, Honolulu
Clara Sasser, pb

S.K.Y. Realty, Inc. - 1152 Bishop Bldg, 1136 Union Mall #605,
Stephen K. Yamada, pb Honolulu

James W. Stinson, Inc. - 2158 Main St., Wailuku
James W. Stinson, pb

Topic Realty, Inc. - 98-1238 Kaahumanu St., #404, Pearl City
George L. Topic, pb

Waikoloa Ranchlands, Inc. dba Waikoloa Home & Land Div., Waikoloa
Robert B. Pummill, pb Village Station Bx 3028

West Pac Developers, Inc. - 830 Keeaumoku St., #9, Honolulu
Shanty K. Andow, pb

Yokum, Inc. - 415 Uluniu St., Kailua
Marjorie Yokum, pb

John Urner moved and Tadayoshi Ishizu seconded to approve the
above listed corporations. Motion carried unanimously.

Branch Office

Esther Chu Realty, Inc. - 75-5744 Alii Dr., #221-223, Kailua-Kona
Phil Gibbons, bic

Fullservice Realty, Inc. - 1063 East Lower Main St. #212, Wailuku
Michele R. Fukuda, bic

Herbert K. Horita Realty, Inc. - 94-226 Leoku St., Waipahu
Richard B. Tkachenko, bic

Lei State Realty, Inc. - 94-801 Farrington Hwy #207, Waipahu
Stanley S. Nagao, bic

Locations, Inc. - 98-211 Pali Momi St., #520, Aiea
John Hayama, bic

Luke & Luke Realty, Inc. - 602 Kailua Rd #202 & 206, Kailua
Yael Mesa, bic

Luko Realty, Ltd. - 47-256 Hui Iwa St., #7, Kaneohe
William A. Husztek, bic

Stark Realty, Ltd. - 1860 Ala Moana Blvd, Ground Flr, Honolulu
Roberta J. Logan, bic

Ralph Yagi moved and John Urner seconded to approve all of the above listed branch office applications. Motion carried unanimously.

Tradenname

East Hawaii Realty - 614 Kilauea Ave., #4, Hilo
Mary J. Ignacio, dba

Mauro T. Goze Realty - 1336 Dillingham Blvd. #6, Honolulu
Mauro T. Goze, dba

Grandventure Realty - 905 Umi St., #301, Honolulu
Joe C. Pacouing, dba

Howden Realty - 55 N Church St., #6, Wailuku
Michael S. Howden, dba

J M J Realty - 1060 Young St., #317, Honolulu
Gertrude D. Johnson, dba

Allen Miller Realty - Whaler's Market Pl #31 505 Front St., Lahaina
Allen R. Miller, dba

R M & Associates - 1580 Makaloa St., #816
Richard E. Mar, dba

Tadayoshi Ishizu moved and Toru Kawakami seconded to approve all of the above listed applications for tradenames. Motion carried unanimously.

Restoration of Forfeited License (past 2 years)

Bruce F. Buckman (broker)

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve restoration of forfeited license subject to payment of all delinquent and penalty fees for the past biennial period together with the present renewal and delinquent fees. Motion carried unanimously.

Gary C. Budlong (salesman)

Ralph Yagi moved and Tadayoshi Ishizu seconded to approve Budlong's application for restoration of forfeited real estate salesman license. A vote was taken. Ayes: Ralph Yagi and Tadayoshi Ishizu Naves: Edwin Shiroma, Mary Savio, John Urner, and Toru Kawakami Motion defeated.

On the second motion, May Savio moved and John Urner seconded to defer action and request Budlong to appear at the April meeting in order that the Commission may seek more information. Motion carried unanimously.

Emma-Jay A. Frias (salesman)

Toru Kawakami moved and Ralph Yagi seconded to approve Emma-Jay Frias' application for restoration of forfeited real estate salesman license subject to payment of all delinquent fees for the past biennial period together with the present renewal fee and delinquent fees. Motion carried unanimously.

Roy M. Matsuda (salesman)

Mary Savio moved and Ralph Yagi seconded to approve Matsuda's application for restoration of forfeited real estate salesman license subject to payment of necessary fees. Motion carried unanimously.

Vernon T. Omori (salesman)

Toru Kawakami moved and Tadayoshi Ishizu seconded to deny application of Vernon Omori's forfeited real estate salesman license and require that he take the schooling and examination. Motion carried unanimously.

Henry L. L. Wong (salesman)

Edwin Shiroma moved and Tadayoshi Ishizu seconded to deny application of Henry Wong's forfeited real estate salesman license and require that he take the schooling and examination. Motion carried unanimously.

Application for License (past 1 year)

Dennis T. Ling

Ralph Yagi moved and Mary Savio seconded to deny Dennis Ling's application for real estate salesman license based on Rule 3.1(f). Motion carried unanimously.

Miscellaneous: Alfred Hee's Application for Real Estate Condominium Consultant

Chairman Young entertained a motion to add this matter to the agenda in compliance with the Sunshine Law. It was so moved by Mary Savio, seconded by Toru Kawakami and unanimously carried.

Executive Secretary explained that in order to act expeditiously on the request of Alfred Hee's application as a condominium consultant, he checked with Gladys Leong, condominium registration clerk. She informed him that at present there are 11 consultants but the delay in issuing public reports is not the lack of consultants but that she is not able to keep up with them. Executive Secretary so advised Licensing Administrator and a letter to Alfred Hee was sent thanking him for expressing interest to serve as a condominium consultant but the Commission is not planning to increase the number at this time.

Edwin Shiroma moved and Mary Savio seconded to concur with administration's letter, that if there is any need for additional consultants, Hee will be considered. Motion carried unanimously.

Chairman Young was instructed to reply to Alfred Hee on Commission's action.

Follow-up Investigation on Recovery Fund Cases

Licensing Administrator Dick H. Okaji posed the question of whether or not the Commission is following up on the investigation on Recovery Fund cases.

Following discussion, Toru Kawakami moved and Tadayoshi Ishizu seconded that hereafter the Commission will follow-up on real estate recovery fund cases in which the defendant is found guilty of misrepresentation, fraud, deceit or dishonest dealing and pursue with administrative action for violation under Chapter 467, H.R.S. Motion carried unanimously.

Validity of Rex Realty's Solicitation for Prospective Purchasers of Future Condominium Projects

Attorney Jeff Grad had written a letter to the Commission requesting advice on the validity of Rex Realty's solicitation for prospective purchasers on future condominium projects.

The Commission, after discussion, decided to reply to Grad stating that it is the consensus of the Commission that this type of action appears to be in violation of Section 514A-31 in that the Commission considers this a solicitation for sale and, further, that this matter, prior to receipt of his letter, was under investigation.

Bruce Bigelow's Request for Interpretation of Section 514A-89, H.R.S.

Communication from Bruce Bigelow requesting interpretation of Section 514A-89, H.R.S., was read by Executive Secretary.

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to request Attorney General's opinion on this matter. Motion carried unanimously.

Galen Leong's Request for Approval of Continental Illinois National Bank and Trust Co. of Chicago in Lieu of Bonding Requirement

Galen Leong was requested to appear before the Commission regarding the above matter.

Leong is asking the Commission for a final public report of a project without providing a bond to cover the cost of construction but will furnish an irrevocable letter of credit in lieu of the bond requirement.

After the question and answer period, John Urner moved and Ralph Yagi seconded to approve request subject to receipt of the latest annual report of Continental Illinois National Bank and to authorize Edwin Shiroma to review it. Motion carried unanimously.

Hawaiian Dredging & Construction Company Request for Acceptance of Dillingham Corporation's Performance and Payment Bond

After a lengthy discussion, Mary Savio moved and Toru Kawakami seconded to defer action on this matter subject to Executive Secretary checking it out with Clifford Miyoi, Insurance Commissioner, the matter of performance bond. A telephone poll of the Oahu members would be taken by the Executive Secretary. Motion carried unanimously.

E.T.S. Real Estate Broker Survey

Executive Secretary circulated a sample of E.T.S. Real Estate Broker Survey. E.T.S. is doing some study which will be reported out in November 1979. Executive Secretary requested that each member reply to this survey if they had received it through the mail.

Verbal Request from Examination Supervisor

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

Executive Secretary received a verbal request from the Examination Branch supervisor expressing her desire to attend the E.T.S. meeting in May to have an opportunity to discuss some administrative problems they are encountering with E.T.S.

John Urner moved and Tadayoshi Ishizu seconded that Commission request for 3 persons to attend the E.T.S. meeting in the following order:

1. Edwin Shiroma
2. Executive Secretary
3. Examination Branch Supervisor

Motion carried unanimously.

E.T.S. will pay the expenses for 2 persons and Commission had budgeted for 1 person.

Violet King's Real Estate Broker Application

Violet King appeared requesting the Commission to act on her real estate broker's application. Under the provisions of the Sunset Law, any subject matter to be placed on the agenda requires a two-third quorum vote.

A vote was taken to see if the matter of Violet King's application for real estate broker license can be placed on the agenda.

Ayes: None

Nayes: Mary Savio, Ralph Yagi, Tadayoshi Ishizu, Edwin Shiroma, Toru Kawakami and John Urner

Motion defeated.

Correspondence: Les Glaspey's Letter Requesting Broker Experience Credit for CI 102 Course

At the January meeting, Les Glaspey had requested Commission to review the type of course he had completed and determine how many months of waiver we can grant him for the CI 102 course.

To be consistent, Edwin Shiroma moved and John Urner seconded to give for each of the 5 courses toward CCIM professional designation the following months of waiver: 2, 2, 2, 2 and 4. Motion carried unanimously.

Joe Mastrantino's Letter Requesting Experience Credit for Completing CCIM Courses

This matter will be treated similar to that of above matter.

Change of Meeting Date

At the request of Executive Secretary, Ralph Yagi moved and John Urner seconded to add this matter on the agenda in compliance with the Sunshine Law. Motion carried unanimously.

As there will be a conflict of schedule on June 29, Ralph Yagi moved and John Urner seconded to change the meeting date from June 29, 1979 to June 22, 1979. Motion carried unanimously.

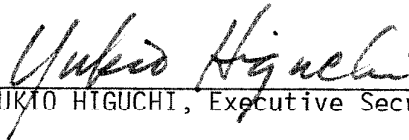
Date of
Next Meeting: April 27, 1979, 9:00 a.m.

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

Taken and recorded by:


Saeko Whang, Secretary

Approved by:


YUKIO HIGUCHI, Executive Secretary