

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

MINUTES OF MEETING

Date: Friday, June 22, 1979

Place: Board Room, KamamaLu Building
1010 Richards Street, Honolulu, Hawaii

Present: Edwin H. Shiroma, Acting Chairman
Tadayoshi Ishizu, Member
Toru Kawakami, Member
Francis Kauhane, Jr., Member
G. A. "Red" Morris, Member
John M. Urner, Member
Ralph S. Yagi, Member
Gregg T. Yamanaka, Member

Randall Y. Iwase, Deputy Attorney General
Yukio Higuchi, Executive Secretary
Saeko Whang, Secretary

Mary V. Savio, Former Commissioner
Daniel Lee, Hawaiian Association of Realtors
Joseph Choy, Director, S.B.M.P., Univ. of Hawaii
Jean Halpain, Applicant for Real Estate Salesman License
James Conahan, Attorney for John Dilks, Inc. and Irene Jacobs, Inc.

Absent: Ah Kau Young - excused (Out of State)

Call to Order: In the absence of Chairman Ah Kau Young, Acting Chairman Edwin Shiroma 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, June 19, 1979, at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes: Toru Kawakami moved and Tadayoshi Ishizu seconded to approve the minutes of May 25, 1979 as circulated. Motion carried unanimously.

Committee Reports: Real Estate Education Advisory Council

There was nothing to report at this time.

Laws & Rules Review Committee

Proposed Amendments to Broker Education and Experience Requirements

Executive Secretary reported that public hearings on proposed amendments to broker education requirements were held in Kauai, Maui, Kona, Hilo and Honolulu. He summarized by saying that

the majority were in favor of increasing the number of hours, however, it was suggested that the increase be by steps.

Testimony from the various people who attended the hearings were distributed among the members. There was one strong testimony against it from the Attorney General's Antitrust Division.

For the benefit of the 3 newly appointed Commissioners, Mary Savio, former Education Committee Chairman, was requested to give background comments and answered how the Committee had derived at this 240 hours.

After considerable discussion, George Morris moved and Toru Kawakami seconded to question the Attorney General and ask for an opinion - (1) ask whether the Commission through its rules and regulations have the authority to increase the number of hours from 40 to 240 hours; and (2) an opinion on the testimony of the Antitrust Division before proceeding. Motion carried unanimously.

Business Out
of Minutes:

Questionable Applications

Jeanne Halpain, Applicant for restoration of forfeited salesman
license

This matter had been deferred from the May 25, 1979 meeting to allow Jeanne Halpain to show evidence of her past experiences and her California license.

After the question and answer period, Acting Chairman Shiroma advised Halpain that this matter will be taken under advisement and she will be notified by letter.

Ralph Yagi moved and George Morris seconded to deny Jeanne Halpain's application for restoration of forfeited license on the basis that the Commission feels that she has not kept abreast of real estate activities since the forfeiture of her license on January 1, 1977. Motion carried unanimously.

Pauline A. Brooks, Applicant for restoration of forfeited
license

Ralph Yagi moved and Tadayoshi Ishizu seconded to defer action on this matter to next month inasmuch as Pauline Brooks was not present. Motion carried unanimously.

Arata & Ackerson, Application for copartnership broker license

Executive Secretary reported that he had prepared a request for an opinion from the Attorney General as directed by the Commission; however, Licensing Administrator Dick Okaji stated that this matter is an administrative decision and suggested the

Commission review the matter once more and act on the application.

After a lengthy discussion, Toru Kawakami moved and George Morris seconded to voluntary request the applicants to not utilize their surnames based on the fact that it can cause confusion to the public and is misleading to the people they are dealing with. Motion carried unanimously.

On another motion, Francis Kauhane moved and George Morris seconded to approve the application. Motion carried unanimously.

Examination Result of Katherine L. Hawkins

For the benefit of the new Commissioners, Executive Secretary gave background information on this issue where Katherine Hawkins, who sat for the April real estate salesman examination was suspected of examination irregularity and E.T.S. submitted this irregularity report to the Commission.

At the May 25, 1979 meeting, Commission decided to give Katherine Hawkins the choice of retaking the real estate salesman exam or request for a formal hearing relative to the allegation of the irregular conduct. Nathaniel Lum, Hawkins' attorney, responded that his client requests an early hearing.

After discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to reaffirm our previous action to hold a formal hearing. Gregg Yamanaka abstained from voting due to possible conflict of interest. Motion carried.

Advertisement by John Dilks, Inc. and Irene Jacobs, Inc.

As requested, Attorney James Conahan, representing John Dilks, Inc. and Irene Jacobs, Inc. appeared to discuss the matter of co-brokers newspaper advertisements. Conahan circulated the June 17, 1979 ad for Commissioners' review.

Executive Secretary and members of the Commission went over each item of the newspaper ad and made comments as to how they want it corrected.

After the comments were made, Conahan stated that he will write a letter with some modest changes to the ad by the next Commission's meeting on July 27, 1979.

Performance Bonds Issued by Dillingham Corporation

At the April meeting, Executive Secretary was directed to request an interpretation of the HPR law regarding the performance bonds issued by Dillingham Corporation, a non-surety corporation, as satisfaction of Section 514A 40(5), Hawaii Revised Statutes.

In response, Deputy Attorney General Randall Iwase stated that it is within the discretion of the Commission to establish reasonable criteria upon which to determine whether or not the bond provided by a non-surety corporation is satisfactory, or it is also reasonable to require that the bond be issued by a licensed surety company.

After much discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded that Executive Secretary respond to Dillingham Corporation that performance bond must be issued by a licensed surety company and it is applicable to all developers on future projects as of this date. George Morris abstained from voting due to possible conflict of interest. Motion carried.

CON-77-17 McCormack Management Group, Ltd., McCormack Corporation and Michael T. McCormack

Deputy Attorney General Randall Iwase reported that a letter was received from Attorney John Edmund, representing Michael T. McCormack, requesting a meeting with the full Commission in executive session to discuss the possibility of a settlement on this matter. Iwase asked if any of the Commissioners had any questions on this matter.

For the benefit of the newly appointed members, Executive Secretary gave background information. He stated that he first received this complaint against McCormack Management Group, Ltd. alleging commingling of funds of Kamaole Association of Apartment Owners. Investigation was conducted which revealed substantial evidence supporting the allegation. The Commission then referred the matter to the Attorney General with a request for a formal hearing. Deputy Attorney General William Milks has been on this case for several months.

Deputy Attorney General Iwase advised that inasmuch as the matter is now with the Attorney General, Commission should not get involved at this time.

After a lengthy discussion, Francis Kauhane moved and Toru Kawakami seconded to reply to Attorney John Edmund that the request to meet with the Commission be denied on the basis that the matter had been referred to the Attorney General and to inform him that he should deal directly with the Attorney General's office. Motion carried unanimously.

CON-76-12 Maunahi Developers

At the April meeting, Commission decided to defer action until the June meeting to afford the developer and the association of apartment owners of Maunahi Developers to reach a settlement on this long pending matter.

Executive Secretary reported that he was handed a letter from Albert Vincent, President of Tropic Shores Realty, explaining that Warren Wagesund, account executive, is on vacation and requesting Commission to hold off closing this issue until Wagesund returns.

Following discussion, Tadayoshi Ishizu moved and Ralph Yagi seconded to allow an extension to the next meeting date of July 27 to respond; if not, the Commission will close this case. Motion carried unanimously.

RE-78-131 Dave Ford Real Estate

Executive Secretary reported that Dave Ford has not responded to the letter of March 28, 1979 wherein Ford was asked to submit an accounting of the \$350 security deposit.

Following discussion, Tadayoshi Ishizu moved and Ralph Yagi seconded to write to Ford once more and give him 2 weeks time to respond following receipt of the letter or the Commission may take possible action against his license. Motion carried unanimously.

Investigations: RE-78-146 Dave Ford Real Estate

Following discussion, Ralph Yagi moved and Toru Kawakami seconded to accept Complaint Review Committee's recommendation to proceed to a formal hearing for possible violation of Rule 1.3(b) in that he failed to ascertain the fact the the property listed with him had a co-owner. Motion carried unanimously.

RE-79-5 Stephanie MacDonald

After discussion, Ralph Yagi moved and John Urner seconded to accept the recommendation of the Complaint Review Committee to dismiss complaint on the basis that there was insufficient evidence that the apartment was dirty and roach-infested. Motion carried unanimously.

RE-79-6 Levy Realty, Inc.

After discussion, George Morris moved and Ralph Yagi seconded that a letter be sent to Complainant Williams and quote what the Respondent said about sending a check for \$100 and considers his complaint satisfied but the question is is he satisfied with the settlement. Motion carried unanimously.

RE-79-10 Gary Catron

After a lengthy discussion, Toru Kawakami moved and Tadayoshi Ishizu seconded to write to the Complainant notifying him that the Commission is dismissing the case on the basis that Commission has no

authority against Catron as he was acting as general partner of Nahiku Lani Hui and not as a real estate agent. The disbursement of the \$10,000 check to the father, in Commission's opinion, was an action as a general partner. Motion carried unanimously.

RE-79-11 Barbara Odor Realty, Inc.

Following discussion, Ralph Yagi moved and Toru Kawakami seconded for dismissal as there appears to be no evidence of violation as alleged. It appears that this is a civil dispute. Motion carried unanimously.

RE-79-13 Waipio Realty Corp.

After discussion, Ralph Yagi moved and Toru Kawakami seconded to accept the recommendation of Complaint Review Committee to proceed to a formal hearing for possible violation of Section 467-14(1), (2) and (3), H.R.S., and Rule 1.3(a) and (b), of the Commission's rules and regulations. Motion carried unanimously.

RE-79-18 Tom Pico Realty

Per Complaint Review Committee's recommendation, Ralph Yagi moved and John Urner seconded to dismiss complaint as Respondents had made no misrepresentation. Motion carried unanimously.

RE-79-25 Catherine Aiu

As recommended by the Complaint Review Committee, Ralph Yagi moved and Tadayoshi Ishizu seconded to dismiss complaint as there appears to be insufficient evidence that Respondent had made misrepresentation. Motion carried unanimously.

RE-79-29 Antonio Tabaldo

After discussion, Ralph Yagi moved and Toru Kawakami seconded to accept the Complaint Review Committee's recommendation to send a letter of warning to Tokunaga and Tabaldo cautioning possible misrepresentation that Tabaldo is a broker when in fact he is only a salesman. The complaint to be dismissed as there was insufficient evidence that Tabaldo had acted as broker. Motion carried unanimously.

RE-79-48 Valhalla Realty

Following discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to accept the recommendation of Complaint Review Committee to dismiss complaint as there appears to be insufficient evidence of our law or rules. Motion carried unanimously.

RE-79-59 George Haines

Ralph Yagi moved and John Urner seconded to accept Complaint Review Committee's recommendation to send a letter of warning to George

Haines and Aaron M. Chaney, Inc. to place future rental ads under the name of Aaron M. Chaney, Inc. Motion carried unanimously.

RE-79-60 William C. Noel

Ralph Yagi moved and Tadayoshi Ishizu seconded to accept the recommendation of Complaint Review Committee for dismissal of complaint with a letter of warning to change ad to clearly reflect that he is an independent broker operating under his own name and not under "HALE KALANUI APT. SALES AND RENTALS." Motion carried unanimously.

RE-79-79 Richard Taylor

Ralph Yagi moved and Tadayoshi Ishizu seconded to accept the recommendation of Complaint Review Committee for dismissal of complaint as this matter involves a contractual dispute between the apartment owners (sublessor) and R D Management Co., Ltd. (sublessee). This appears to be a civil matter over which the Commission has no jurisdiction. Motion carried unanimously.

RE-79-89 PLF, Inc. dba Realty Exchange

Ralph Yagi moved and Tadayoshi Ishizu seconded to accept the recommendation of Complaint Review Committee for dismissal of complaint with a letter of warning to check with the Department of Land Utilization prior to advertising similar properties as two dwellings. Motion carried unanimously.

New Business: LICENSING

Corporation

Jonathan Cheng Realty, Inc. - 1500 Kapiolani Blvd., #1114, Hon.
Jonathan Cheng, pb

Direction Land Investment Corporation - 2080 So. King St., #207
Harvey Tam, pb Honolulu

Walsh Fletcher Enterprise, Inc. - 4747 Kilauea Ave., #201, Hon.
Kevin B. Walsh, pb

Henry Gomes Realty, Inc. - 2511 S. Kihei Rd., P.O. Box 1307, Kihei
Henry Gomes, pb

H & I Realty Services, Inc. - 203 Kilauea Ave., Hilo
Gary H. Iwaoka, pb

Kohala Coast Properties, Inc. - Lot C284 Paunani St., Box 3232
Beth B. Lagrimas, pb Waikoloa Village, Kamuela

Lauland Corp - 195 So. King St., 7th Flr, Honolulu
Gary M. Alexander, pb

Malia, Ltd. - 415 Uluniu St., Kailua
Mary J. Stoner, pb

Pacific Island Realty, Inc. - 75-5722 Kalawa St., Bx AK, Kailua-Kona
Thomas G. O'Leary, pb

Supreme Realty, Inc. - 735 Bishop St., #305, Honolulu
Robert Y. Wong, pb

Wakaloa Realty, Inc. - 733 Bishop St., #2797, Honolulu
George H. Melvin, pb

Wardair Hawaii, Ltd. dba Tropics Property Management - 1860 Ala
Jo-Ellen Perry, pb Moana Blvd., #404, Honolulu

Billie Watters, Inc. - 808 Waivee St., #201, Box 1564, Lahaina
Billie Watters, pb

Ralph Yagi moved and Tadayoshi Ishizu seconded to approve
the above-listed applications for corporate licenses. Motion
carried unanimously.

Branch Office

Luko Realty, Ltd. - 2301 Kuhio Ave., #307, Honolulu
Larry A. Rutkowski, bic

Luko Realty, Ltd. - 3257 Kuhio Hwy., #4, Lihue
Joseph K. Metzger, bic

Luko Realty, Ltd. - 1004 Ala Malama Bldg., #211, Ala Malama St.
Raymond Yuen, bic Kaunakakai

Stark Realty, Ltd. - 1860 Ala Moana Blvd., #414, Honolulu
Roberta J. Logan, bic

Newtown Realty, Inc. - 400 Hobron Lane #215, Honolulu
Albert G. Powell, bic

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

Tradenames

Banyan Properties - 2084 Kalaniana'ole St., Hilo
Patricia S. Nielsen dba

Consumer Realty Co. - 302 California Ave., Wahiawa
Roger Y. F. Ching, dba

Daue Realty - 1997 Main St., Wailuku
Josephine Daue, dba

Ferem Real Estate - Ala Malama Bldg., #208 Kaunakakai
William H. Ferem, dba

Inga's Realty - 87-2104 Farrington Hwy G, Manakuli
Ingeborg H. Yoon, dba

Kennedy Realty - 505 Front St., #46, Lahaina
Vera B. Kennedy, dba

Dewar Millar - 1221 Kapiolani Blvd., #346, Honolulu
John Phillips Dewar Millar, dba

PM & D Realty - 33 Lono Ave., #310, Kahului
Project Management & Development Corp. dba

Pacific World Real Estate ERA - 1111 Bishop St., #506, Honolulu
Gerald E. Bisbee, dba

Ted Takata - 716 Opoi St., Honolulu
Theodore T. Takata, dba

The Wiedemans - 1000 Bishop St., #507 C, Honolulu
Alfred B. Wiedeman, dba

Travis & Associates Realty - 1149 Bethel St., #416, Honolulu
Travis Young Sung Chun, dba

The Young Real Estate Company - 1056 12th Ave., #203, Honolulu
Richard C. K. Young, dba

Ralph Yagi moved and John Urner seconded to approve all of
the above-listed applications for tradenames. Motion carried
unanimously.

Name Change

Lahaina Towne Brokerage, Inc. - 930 Wainee St., Lahaina
(formerly Lahaina Town Brokerage, Inc.)

Ralph Yagi moved and John Urner seconded to approve the name
change of Lahaina Towne Brokerage, Inc. Motion carried
unanimously.

Restoration of forfeited License (past 2 years)

Esmond K. Chung

Tadayoshi Ishizu moved and Toru Kawakami seconded to deny
Esmond Chung's application for restoration of forfeited license.
Motion carried unanimously.

Miscellaneous: John Napoleon's request for salesman license

Executive Secretary read a letter from John Napoleon requesting
to allow him to be licensed as a salesman; however he wished to

be the real estate area manager of Church of the Jesus Christ Latter Day Saints also. He has received sanction from the church for this arrangement.

After discussion, John Urner moved and Ralph Yagi seconded to agree to this arrangement but to advise Napoleon that when acting as an area real estate manager for the church, he is to indicate that he is in fact acting as an area real estate manager and not as a licensee. Motion carried unanimously.

Correspondence: Pennsylvania's request for license reciprocity

Communication was received from Pennsylvania Real Estate Commission requesting for license reciprocity.

Toru Kawakami moved and Ralph Yagi seconded to reply by saying "not interested." Motion carried unanimously.

Carl Longo's request for approval to place advertisement for catalog of Oregon land

Carl Longo, editor and publisher of an Oregon newspaper, made a request to place an ad in the Honolulu Advertiser/Star Bulletin but was notified that before he can place an ad offering sale of land, he must be properly licensed.

It seems that Longo is advertising sale of catalog for Oregon land; however, members of the Commission wanted to be certain. Therefore, Ralph Yagi moved and John Urner seconded that Commission should request for a sample of what is being advertised before taking any action. Motion carried unanimously.

Sunlin Wong's request regarding Exclusively by Owners, Inc.

Executive Secretary read a letter from Sunlin Wong requesting whether or not a broker's license is required by Exclusively by Owners, Inc. for advising people how to sell a home on a consultant's basis for a fee.

Following discussion, George Morris moved and Ralph Yagi seconded to advise Sunlin Wong that the company needs a broker's license for that type of activity. Motion carried unanimously.

Dates of

Rules Review Committee

Commission's Meeting

July 26, 1979, 9:00 a.m.
Conference Room, 20th Flr
Davies Pacific Center
Honolulu

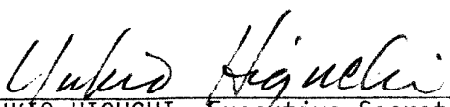
July 27, 1979, 9:00 a.m.
Board Room
KamamaLu Bldg
Honolulu

Adjournment: There being no other business to transact, the meeting was adjourned at 4:20 p.m.

Taken and recorded by:


Saeko Whang, Secretary

Approved:


YUKIO HIGUCHI, Executive Secretary