

SUMMARY OF PROCEEDINGS  
FIRST MEETING OF 1961  
REAL ESTATE LICENSE COMMISSION  
DEPT OF TREASURY AND REGULATION  
STATE OF HAWAII  
205 Empire Building, Honolulu, Hawaii

January 20, 1961

Chairman Aaron M. Chaney called the meeting to order at 1:30 p.m. Friday, January 20, 1961, at the office of the Commission, 205 Empire Building, Honolulu 13, Hawaii.

Present were: Aaron M. Chaney, Chairman  
Dorothy S. Ahrens, Member  
James C. Ching, Member  
Charles C. Cross, Member  
Yukio Kashiwa, Member  
Erling P. Wick, Member  
Hirotoshi Yamamoto, Member  
Robt E. Bekeart, Executive Secretary  
Andrew S. Ono, Special Investigator  
Hannah Furuta, Recording Secretary

ORDER OF BUSINESS

FISCAL REPORTS

Mrs. Ahrens moved, seconded by Mr. Ching, that the financial reports for the months of November 1960 and December 1960 be accepted as presented. Motion passed unanimously.

PETITION FOR RECONSIDERATION ON BEHALF OF VIOLET C. KING

Executive Secretary presented to Commission a petition submitted by Ernest Y. Yamane, attorney, for reconsideration of Commission's decision in the proceedings against Violet C. King on the grounds that testimonies were fabricated and that the punishment meted was unduly severe and unusual. He advised members of staff's acknowledgement to Mr. Yamane in which counsel was invited to check into the transcript of hearing and make specific allegations. To date no response has been received from counsel on this suggestion.

After brief discussion it was moved by Mr. Wick, seconded by Mr. Cross, that Mr. Yamane's petition on behalf of Violet C. King be denied. Motion carried. Commission's decision was based on: 1) All testimony received at hearing were under oath; 2) disciplinary action is not unusually severe in light of violations.

NEW CORPORATION AND BRANCH OFFICE LICENSES ISSUED

Mr. Kashiwa moved, seconded by Mr. Ching, that the following brokerage licenses issued under tentative approval by Executive Secretary be recorded as officially approved:

TRUSTCO REALTY, INCORPORATED - Cullen Chee, Principal Broker  
Branch office - 44 Kainehe Street,  
Kailua; Henry Gomes, Broker in Charge  
REALTY SALES CORPORATION - Ronald A. Burla, Principal Broker  
M. I. TAKASAKI REALTY, INC. - Maurice I. Takasaki, Prin. Broker

REINSTATEMENT REQUESTS FOR RAINBOW REALTY CO., LTD AND STAFF

Executive Secretary explained that the reinstatement requests of Rainbow Realty Company, Ltd., its principal broker Thelma T. Abo, and Lester O. Irish, salesmen, are brought to attention of Commission in view of the make-up of the corporation officials, and that the new principal broker should be made aware of her responsibilities and duties and not submit to the directions of the officers. Mr. Kashiwa moved, seconded by Mrs. Ahrens, that attendant to the reissuance of the licenses the Executive Secretary request Thelma T. Abo to appear before him to fully acquaint her with her duties and responsibilities as principal broker of the brokerage. Motion passed unanimously.

REVIEW OF SALESMAN APPLICANT WITH DEROGATORY POLICE RECORD

The character credit report issued by the Credit Bureau of Hawaii on Kiyoshi Kohashi, successful salesman candidate with derogatory police record, was presented to members as favorable. This report was requested by Commission at previous meeting on consideration of his qualification for licensing. Members concurred with Mr. Wick's suggestion that the Executive Secretary confer with his sponsoring broker to determine his qualifications as to character and report back to the members at the next meeting on his findings in order for a decision to be made.

RECONSIDERATION OF OCTOBER BROKER FAILURES

Staff presented for reconsideration the broker examination results of Lurline L. Siu and Mac M. Yonamine, who by oversight when adjusting grades with decision to accept both "true" and "false" answers to question #7 authorized in the December 9, 1960 meeting, were not given credit which would have placed them in the passing category.

Mr. Yamamoto moved approval for passing, seconded by Mr. Wick. Motion passed unanimously.

RECONSIDERATION FOR REQUEST FOR USE OF TRADE NAME

Fred Y.W. Chang dba Raymond C. Yap & Company. Following up Commission's direction to gather further facts behind the unusual request for DBA, the Investigator reported that upon checking by telephone on January 20 he learned that Fred Chang is the brother-in-law of Raymond C. Yap and that he has financial interests in the Metropolitan Towers venture undertaken by Raymond C. Yap & Company. In pointing out the unusual and misleading feature of such a request the applicant decided to withdraw his request and this will be confirmed in a letter to follow in a few days.

VIRGINIA COMMISSION CHAIRMAN'S INQUIRY

J. Herman Sigmon's inquiry of January 3, 1961 regarding the selection procedure of NALLO officers was discussed. Not all members could recall receiving the mimeograph circular. The Chairman reviewed the conduct of the Board of Directors meetings in the past and stated that he felt much was to be desired in the way of improving certain NALLO nomination and election procedures. Members attending Dallas meeting were in agreement that from all appearances there was some inequity in the balance of administrative officers to appointed commissioners in the roster of officials which conduct the association's business from year to year. The Executive Secretary

remarked that he has had some misgivings about how certain officials aspire to perpetuate themselves in association chairs--he was of the opinion that this situation has improved somewhat with more commissioners in attendance at national meetings. The Chairman volunteered that he would prepare a reply to Chairman Sigmon's inquiry and he would try to speak on behalf of Hawaii members.

MRS. NATALIE Y. GRAY vs ANN FELZER, BROKER

The Investigator's report on this complaint is made a part of these minutes.

Members approved staff's suggestion that:

1) Letter of reprimand be directed to Mrs. Felzer for her conduct and manner in which handled the rental transaction in this case which resulted in the misunderstanding and inconvenience sustained by her clients.

2) Letter of caution be directed to Mr. George Yamashiro, principal broker of Waikiki Realty, Ltd., advising him that he exercise more careful supervision over his sales staff.

This case is brought to the attention of Commission for policy making decision on disciplinary measures to be taken on complaints such as this.

WILLIAM E. JENKINS vs I. WALTER FURUYA, BROKER

The Investigator's report on his findings in this case is made a part of these minutes.

The question of misrepresentation of other lots in the subdivision being "sold" representation to prospective buyers was discussed.

Chairman directed staff to contact Arthur S.K. Fong, Commission's counsel, to determine what facts we should assemble to build a case around for possible hearing proceedings, and that Mr. Fong contact Mr. Takabuki, counsel for respondent, to pave way for cooperation by broker in making his records available to us instead of staff check with other investors which may lead to panic and mass withdrawals by other buyers.

CASE OF STEPHEN HO, Non-licensee

The Investigator's report on this case is made a part of these minutes.

Mr. Wick moved, seconded by Mr. Kashiwa, that staff should complete file of investigation and turn over to Arthur S.K. Fong, counsel for Commission, for transmittal to the Hawaii County Attorney for any action he may deem fit. Motion carried.

NALLO DIRECTORS' MEETING AT PITTSBURGH IN MAY 1961

Mr. Kashiwa moved, seconded by Mrs. Ahrens, that the Chairman make the trip to Pittsburgh in May to be present at the Directors' meeting. Motion carried.

34TH NALLO ANNUAL CONVENTION TO BE INVITED TO HAWAII

Mr. Kashiwa moved that the Commission prepare a resolution to invite the 1962 NALLO convention to be held in Honolulu to be scheduled to coincide with the Honolulu Realty Board's annual conference. Mrs. Ahrens seconded the motion. Motion carried.

Mr. Kashiwa suggested that complete program be planned, supported by a budget, to be presented at the Directors' meeting in May. Financing of the project would be worked out after a program had been planned. Commission explored the possibility of going to Governor for appropriation for this purpose. Executive Secretary was directed to arrange a meeting with the Hawaii Visitors Bureau to seek help in planning.

MARCH EXAMINATION

Chairman directed staff to start preparation of examination questions immediately for distribution to members early enough to allow ample time for study. Members approved Executive Secretary's suggestion that all schools and instructors in real estate be solicited for examination questions for our examination library, subject to approval by members.

EXTENSION OF EMPLOYMENT CONTRACT OF SPECIAL INVESTIGATOR

Andrew Ono's letter of December 28, 1960 requesting extension of employment contract to late July 1961 to "see the Commission's legislation program to fruition" was discussed. Mr. Cross moved that we authorize the extension of his employment contract to August 1, 1961 and that the Executive Secretary explore the area of additional compensation with department agencies concerned. Mr. Kashiwa seconded the motion. Motion carried.

PURCHASE OF MAP OF COUNTY OF HONOLULU.

Mr. Kashiwa moved approval for purchase of a Hearn's Brother Map at cost of \$49.16. Mr. Yamamoto seconded the motion. Motion carried.

NEW POSITIONS

Commission discussed the need for an additional investigator and a stenographer. Executive Secretary reported that it was not possible at this time to present figures on the complaints and unique inspections conducted by the enforcement section. He stated that there has been a tremendous growth in complaint rate and the necessary processing of such public request has put an unusually heavy load on investigative staff and clerical section. It was the Commission's opinion, and they so moved unanimously, that steps be taken to secure another investigator and that every effort be made to create a legal stenographer type of position whose primary responsibility would be to support the enforcement section.

LEGISLATION PROGRAM

The Special Investigator reported on three items:

- 1) His memos to the Executive Secretary on the Scope and Procedure for Promulgating Rules and Regulations.
- 2) His memo on "Advance Fee". Special Investigator was asked to supplement his memo with a report on existing statutory provisions of this

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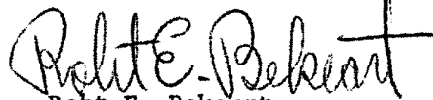
state regulating Advance Fee in any way through other governmental agencies.

3. The progress on subdivisions and co-op regulation. Draft II was discussed. It was decided that sufficient number of copies be prepared for distribution to various interested persons (Honolulu Realty Board, Treasurer, Attorney Spitzer, Attorney Howard Moore, Escrow agents and and Researcher Hal Hanson, broker as well as the Attorney General, State Planning Director, and others)

DATE OF NEXT MEETING

Members agreed to schedule the next meeting for February 10, 1961, it is to be convened at approximately 1:30 p.m. in the offices of the Commission.

Respectfully submitted,



Robt E. Bekeart  
Executive Secretary

APPROVED:



AARON M. CHANEY, Chairman