

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

February 13, 1961

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

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

MINUTES OF PREVIOUS MEETING

Mr. Wick moved approval of the minutes of January 20, 1961 as presented. Mrs. Ahrens seconded the motion. Motion carried unanimously.

CONFIRMATION OF BROKER LICENSES ISSUED UNDER TENTATIVE APPROVAL

Mr. Yamamoto moved approval, seconded by Mr. Ching that broker licenses issued tentatively be officially confirmed and recorded for:

C. A. SHIPMAN, INC., Charles A. Shipman, Prin. Bkr

Mr. Ching moved, seconded by Mrs. Ahrens, that the following broker licenses issued under tentative approval by Executive Secretary, be officially confirmed and recorded. Motion carried.

Theodore S. Matsuo dba TED MATSUO
Michael Y.T. Chun dba MIKE CHUN REALTY
Thomas Y. Tsuzuki dba CATAMARAN REAL ESTATE COMPANY

A. D. CASTRO COMPANY, LTD - Foster Village Branch

Chairman inquired as to the status of the Foster Village Branch. Executive Secretary reported that staff had kept in touch with this office on our request to relocate to a properly zoned district and that under date of December 1, 1960 the corporation had requested extension of time to remove its branch office until a tract house is constructed in a nearby business zoned area. Staff was directed to assemble current information on this branch office location for report and action at its next meeting.

A. D. Castro Company, Ltd - Hawaii-Kai Branch

No action was taken on the tentative approval granted this branch office. Staff was directed to notify them of the contingency under which the approval was granted. Decision will be made at next meeting after discussion of zoning problems with Mr. Leighton S. C. Louis, Director, City Planning Commission, on invitation at the next meeting.

REAL ESTATE OFFICE IN NON-BUSINESS ZONED DISTRICT

The applications of Sue M. West (B) and Joseph Carrilho (B) to conduct real estate business in hotel-apartment zoned locations, in violation of city ordinance, were discussed. Staff reported that in the renewal procedure brokers were encouraged to relocate to a business zone and received cooperation in most instances. Staff recommends that violators should be reported to the proper city authorities for action. The Commission was divided in its opinion as to this agency's responsibility in keeping with the city ruling. It was decided that the Director of the City Planning Commission, Mr. Leighton Louis, be invited to a discussion of this problem at the next meeting.

REVIEW OF APPLICANT WITH DEROGATORY POLICE RECORD

Executive Secretary reported that upon direction of Commission at its January 20, 1961 meeting the sponsoring broker for Kiyoshi Kohashi, successful salesman applicant with derogatory record, Mitsuyuki Kido was contacted for his personal opinion and recommendation of applicant's fitness to be licensed. Letter received from Mr. Kido reported favorably on the character of applicant. Mr. Kashiwa moved approval for license; Mr. Yamamoto seconded. Motion carried.

MARCH EXAMINATIONS

Mr. Cross agreed to monitor the Hawaii candidates and suggested the site of Hilo Union School Cafeteria. Mrs. Ahrens accepted the monitoring of the Kauai examination at the County Supervisors' Board Room. Mr. Bekeart offered to take care of the Molokai examination.

CASE OF WILLIAM YAMASHITA vs HARRY Y. H. KIM

The Investigator's report on his findings in this complaint is made a part of these minutes. On short discussion the Commission directed that this agency's counsel be given the file for determination as to whether there is sufficient grounds for hearing on this complaint.

CASE OF STEPHEN HO

Executive Secretary reported on staff action of surrendering file on our investigation to the Attorney General's office for transmittal to the Attorney for the County of Hawaii. A letter was received from the County Attorney dated February 9, 1961 assuring that appropriate action will be taken. Mr. Cross unofficially reported that this same non-licensee has been in the court on a real estate transaction and found guilty in Hilo.

CASE OF WILLIAM E. JENKINS vs WALTER I. FURUYA

Considerable discussion was given to the alleged violations involved in this complaint and it was agreed that some form of disciplinary action is needed. However, in view of the complainant not being available for appearance at a formal hearing and no other feasible means of presenting an effective case, Chairman directed that staff make another earnest attempt by discussing case with Arthur S.K. Fong, Counsel for Commission, for possible solution to this disciplinary problem. The possibility of employing the means of deposition was discussed.

1962 NALLO CONVENTION PLANS

Executive Secretary reported on progress of discussions with the Hawaii Visitors Bureau on what assistance this regulatory agency can get from HVB for pre-convention publicity and planning. The executive was directed to immediately follow through on these discussions so the Commission will have some understanding of what it can expect in the way of help from the Visitors Bureau. Chairman directed that definite plans be concluded by the end of the month.

PURCHASE OF OFFICE EQUIPMENT

Mr. Yamamoto moved approval, seconded by Mr. Ching, and motion carried, that the staff's request of purchase of two stenographer chairs at approximately \$50.00 each.

EBBTIDE HOTELS (ACME REALTY INC.)

Special Investigator reported on his preliminary investigation thus far. He reported that the Commission has received quite a few complaints against this operation but that none carried sufficient grounds for prosecution under the licensing statute. The one likely violation reported by a disgruntled purchaser was that she was not given a copy of the document. Investigator added that this organization could be in violation of the Securities Act. The question of whether this "co-op's" exemption under the Hawaiian Securities Act is illegal in view of its operation also as a hotel was submitted to the Attorney General's department. Staff was directed to continue to monitor this organization's operations.

COLOHAWAII

Special Investigator reported on his findings of COLOHAWAII which was first reported to the Commission by an official of the Bank of Hawaii as its documents carried all the earmarks of an advance fee operations. Investigator reported on the check of the principal officials behind the organization, particularly one Charles Jabez Paul of Denver Colorado, but reported he has had no previous connection with a known advance fee operation. Two local investors were also involved but had since pulled out. He reported that thus far Colohawaii has not conducted any business in Hawaii and that their operation is based on referral to a lending institution which pays them a commission is the loan is secured. Staff was directed to continue to monitor the operations of this organization.

1961 LEGISLATIVE PROGRAM

Mr. Edwin Klein, chairman of the 1961 Legislation Committee of the Honolulu Realty Board, was invited to participate in the legislative program discussion part of this meeting to enable him to report back to his associates on the Commission's 1961 legislative program and to give us the benefit of the Committee's thinking, as well as to discuss the Realty Board's proposals.

The Realty Board's proposals was first on the agenda. The Board's proposal to exclude real estate salesmen from the 2.7% Unemployment Compensation law was discussed. Mr. Kashiwa moved, seconded by Mrs. Ahrens, that Commission go on record as supporting such a measure.

Board's proposal to authorize the State Real Estate License Commission to conduct real estate clinics, meeting, courses and incur necessary expenses from real estate fees collected was moved by Mrs. Ahrens as meriting Commission support. Mr. Yamamoto seconded. Motion carried.

Board's proposal to authorize home exemption to co-op homeowners was moved to carry support of the Commission by Mr. Wick, seconded by Mr. Ching. Motion carried.

Mr. Klein also mentioned that the following measures were considered by the Committee but no action taken:

- Requirement of re-examination for forfeiture over 3 years.
- Requirement of high school education for real estate license
- Authorize late filing of renewal fee

He also discussed, at the suggestion of the Executive Secretary, the problems those belonging to the Traders Club who wish to operate across state boundaries face. The matter of dividing commissions with unlicensed persons was reviewed. It was agreed that this was another facet of the reciprocity proposal.

Commission's legislative proposals were discussed.

SPECIAL FUNDS: Special Investigator reported on his research on the legality of Special Funds and referred to his memorandum of February 10, 1961 in which he reported that he could find no legal argument to support the retaining of such Fund; that the arguments he recommends is that General Fund would hamper the operations of the agency in its duty to protect the public and the theory of license fees being a trust fund rather than revenue. Mr. Yamamoto expressed his opinion that we should fight to retain Special Funds. Mr. Wick moved that Commission go on record as opposing the abolishing of our Special Fund, Mr. Cross seconded the motion. Mr. Klein stated that he thinks the Board will concur.

ADVANCE FEE

Two proposals of false promises and false pretense were presented which are in amendment to Section 21, Chapter 293, R.L.H. 1955. Mr. Ching moved acceptance of form "IV-A", Mr. Wick seconded, motion carried.

Considerable discussion was given to merits of requiring registration. Chairman felt, supported by Mr. Klein, that we should require registration. Mr. Yamamoto favored no registration. Constitutionality question in requiring registration was discussed.

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INVESTIGATORY POWERS OF COMMISSION

Mr. Cross moved that a proposal be drafted authorizing Commission investigatory powers. Mr. Yamamoto seconded. Motion carried.

ESCROW

The matter of escrow legislation was discussed. Commissioners were in agreement that the escrow agents group should come up with such legislation and that the Commission will cooperate with them insofar as speaking on proposal at legislative hearings. Commissioners were unanimous in expressing that we will not be party to mandatory escrow.

ADJOURNMENT

Meeting was adjourned at 6:00 p.m.

Respectfully submitted,



Robt E. Bekeart
Executive Secretary

APPROVED:

AARON M. CHANEY, Chairman