

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

March 21, 1961

Chairman Aaron M. Chaney called the meeting to order at 8:45 a.m., Tuesday, March 21, 1961 in the Commission offices, 205 Empire Building, Honolulu, Hawaii.

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

ORDER OF BUSINESS

ZONING REQUIREMENTS FOR REAL ESTATE OFFICES

Mr. Leighton S. C. Louis, Director, City Planning Commission, City and County of Honolulu, was presented to the members, having been invited to participate in a discussion of the zoning requirements of the City and County of Honolulu in an effort to arrive at a policy staff should follow regarding requests for real estate business offices, branch offices, tract offices, etc. at addresses not located in a business-zoned district.

Mr. Louis explained that he cannot offer any policy for guidelines; that the law expressly prohibits any business transaction from a residence, that telephone calls may be received at home but a business office must be maintained and business conducted in a properly zoned area. He explained that complaints are referred to the Prosecutor's Office for action and violators are given reasonable time in which to correct such violation and usually no fine is levied. When asked if a real estate office may be maintained in a hotel-apartment zoned district or in a hotel or apartment building, Mr. Louis replied that the only types of business permitted to operate in this zone are those offering personal type services such as beauty shops, cleaning shops, dress shops and the like, and that real estate business does not qualify under this type of service.

On the question of tract houses, sales offices and branch offices Mr. Louis explained that while technically it is a violation, these are permitted on location of tract until a certain number of units have been sold (initial sales) and as long as they do not establish themselves as a permanent office. He said a maximum of one year is considered reasonable, provided a principal office is maintained in a proper district. It was also established that a sales office in a co-operative building is permissible if such office confines its business to servicing the particular co-operative building only.

On conclusion of discussion a policy was adopted that all questionable location requests be submitted in writing to the City Planning Commission for clearance before license is issued and the Executive Secretary was directed to work out a plan or form with the Planning Commission to facilitate this procedure.

H.B. 588 LICENSING OF CEMETERY SALESMEN

Upon discussion, Mr. Cross moved that RELCO representative to the hearing called on March 21, 1961 communicate to the House Health Committee that the Commission is not in favor of the bill for the reason that the Commission has little knowledge of cemeteries and that since there is no broker whom the Commission has jurisdiction over, the mere licensing of salesmen would not serve to protect the public as is the intent of the bill. Mr. Kashiwa seconded the motion. Motion carried.

REQUEST OF LEO P. MANOL (B)

Mr. Leo P. Manol personally appeared before the Commission, accompanied by his counsel Vernon T. Tashima, to plead his request for the use of dba "MENEHUNE REALTY." His stated his reasons for such request being: that he planned to retire from his present regular employment in a few years and wants to establish a name realty firm by the time he was ready to go full-time in realty; that he felt his own name was a drawback. He emphasized that this will be a one-man operation and that he would not hire any salesman. He further added that he plans to share an office with another broker, sharing the expenses of rent, telephone and full-time secretary and would be in constant touch with such office. He added that his present full-time employment at the Honolulu Redevelopment Agency, City and County of Honolulu, permits him to take time off to adequately service his clients. Chairman advised Mr. Manol that Commission finds no reason to deny the use of fictitious name if properly registered with the Treasurer's Office and if principal broker is able to give adequate service to his clients during normal business hours and guide his salesmen, if any, as required under Rule 6.

Upon suggestion of members that such requests be checked with present employer of applicants, a telephone call to Mr. Lee Maice, Director of the Honolulu Redevelopment Agency, was concluded by Executive Secretary which revealed that: his employment at the Agency as Land Sales Negotiator was confirmed. Mr. Maice asserted his position that any after-hours activity of the agency's employees is not considered a conflict of interest. In the area of discussing whether Mr. Manol could service or respond to telephone calls to HRA from his real estate office or clients, Mr. Maice felt that anyone accepting such telephone calls on the job would be conducting himself in a manner that would be considered as interferring with the employee's duties. This, Mr. Maice told the Executive Secretary, he could not condone.

Upon discussion, it was agreed that full-time employment elsewhere would not permit a broker to service his clients properly because of his unavailability during normal business hours when financial institutions and other offices are open for business. Mr. Wick moved, seconded by Mrs. Ahrens, that reply be sent to Mr. Manol denying his request as not being to the best interest of the public. Mr. Cross amended motion that in future all similar requests be handled in the same manner. Motion carried.

CASE OF WILLIAM E. JENKINS vs I. WALTER FURUYA

Mr. Furuya appeared at the request of staff to answer certain questions by Commission on the marketing transactions of Volcano Cymbidium Estates. Inasmuch as members were not satisfied with the answers given by Mr. Furuya, Chairman announced that a formal hearing be scheduled to determine if there were any violations of the statutes in Mr. Furuya's actions.

HERBERT HORITA

Mr. Horita appeared at the request of staff to answer certain questions on the complaint of Moses Gonsalves. Inasmuch as this problem was considered in the area of a civil suit, the Chairman excused respondent with the warning that in the future he should be more careful, that he should explain each item of contract terms to both seller and buyer so both parties clearly understand the intent of contract.

CONFIRMATION OF BROKERAGE LICENSES ISSUED UNDER TENTATIVE APPROVAL

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

LYLE C. VINCENT, INC. - Lyle C. Vincent, Principal Broker
ILCOL REALTY CO., LTD - Kenneth J. S. Pang, Prin. Broker
STATE REALTY CO., LTD - Walter W.L. Loo, Principal Broker
THEODORE R. DITULLIO DEVELOPMENT CO., INC - Theodore DiTullio, Prin. Bkr
THEODORE R. DITULLIO REALTOR, INC. - Julia W. DiTullio, Prin. Bkr
JSA., INC dba SUN REALTORS - John S. Araujo, Prin. Broker
Yukio Nishimura - dba DYNAMIC REALTY

REQUEST OF THOMAS Y. TSUZUKI (B)

Mr. Tsuzuki's request to use the nickname of "Scoop" Tsuzuki was discussed. It was agreed that the alias was not fitting to the professionalism of realty and that while we cannot deny him the use of a name that he has long been known by, Mr. Tsuzuki be urged to use his legal name in his real estate dealings.

1962 NALLO CONVENTION PLANS

Chairman announced that in consort with the Hawaii Visitors Bureau an invitation to NALLO for the 1962 Convention to be held in Honolulu has been prepared for presentation at the Directors' Meeting in Pittsburg in May; that the Visitors Bureau will assist us with promotional films, orchids and music for one evening during the September Las Vegas Convention as publicity to sell the members to make the trip to Hawaii.

MINUTES OF PREVIOUS MEETINGS

Mr. Cross moved approval of minutes of February 13, 1961. Mr. Ching seconded. Motion carried.

Mr. Ching moved approval of minutes of special meeting of March 14, 1961. Mr. Yamamoto seconded. Motion carried.

LEGISLATION

Executive Secretary reviewed the status of Commission's 1961 LEGISLATIVE PROGRAM. He emphasized that the deadline for introducing legislative proposals in the lower house had been announced as the 40th day of the session; therefore, it was most important that all of our drafts should be completed and forwarded to the Treasurer for by-way-of-channeling to Executive Chambers, thence to Legislature.

The Commission discussed the position it is now in with relation to the major disclosure measure affecting co-operative real estate projects and subdivisions. The Special Investigator presented his material which permits the original proposal to be split into two separate acts. He went over the two bills, pointing out areas where they were similar, sections that were dissimilar were also discussed. The members were of the unanimous opinion that in order to solicit maximum acceptance of the basic idea of "some controls" that the Commission endorse an earlier suggestion to divorce co-operative measure from real estate subdivision regulations. The staff was directed to proceed at once with preparation of the FINAL DRAFT OF TWO SEPARATE DISCLOSURE MEASURES and present them for introduction to the Legislature.

Other facets of the legislative program such as INVESTIGATORY/COMPETENCY, PRINCIPAL VOCATION, ADVANCE FEE and EDUCATION/RESEARCH were reported on by the Executive Secretary. He assured the members that it was staff's intention to keep them abreast of the total legislative picture through communications in writing, enclosures and other material for filing in their red leatherette 3-ring binders.

SPECIAL FUNDS

In discussing progress of ADVANCE FEE proposal the commissioners learned that there was still doubt in the minds of legislative and administrative leaders as to the Commission's official position opposing the commingling of real estate license fees with other accounts. It was agreed that if an appointment could be secured with the Governor, this matter should be discussed today while the full membership is assembled. The Executive Secretary secured an interview time with Governor Quinn with the liaison and support of the Treasurer.

The Commission presented itself to the Chief Executive and the Chairman spoke to the point of this body's concern that its position on abolishment of Special Fund S-2524 was possibly misunderstood. As businessmen, with an appreciation for budgetary controls he informed the Governor that the members did not object to budget procedures. Mr. Chaney emphasized that the Commission was strongly of the opinion that this body has a duty and responsibility towards those it licenses--one of these functions is the stewardship of fees deposited for the purpose of administering the real estate law.

Governor Quinn considered the Commission's position on special funds and urged them to look at it from the standpoint of the executive and legislative side trying to move towards a better, improved type of government. Such government requires a proper method of controls over income and outgo of monies. He did state that it was evident the commissioners were alert to efficient ways to administer the license law and he encouraged them to continue their fine work in this very vital field of our economy.

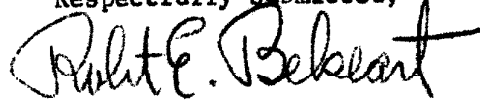
Mr. Cross inquired of the Governor how the Commission could properly administer the statute where unanticipated enforcement problems arose which would require additional spending. The Chief Executive inferred that this would not be an insurmountable problem as his contingency fund would be available and he was sure that there could be adjustments made at the departmental level. Dr. Silva was in agreement with the thought that consideration could be given to needs of enforcement over and above the budgetary requirements submitted.

March 21, 1961
Page five

ADJOURNMENT

The meeting adjourned at 3:15 p.m.

Respectfully submitted,



Robt E. Bekeart
Executive Secretary

APPROVED:



AARON M. CHANEY
Chairman

April 14, 1961