

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

April 18, 1961

Chairman Aaron M. Chaney called the meeting to order at 9:30 a.m., Tuesday, April 18, 1961 in the Conference Room, Iolani Barracks.

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
- Hirotooshi Yamamoto, Member
- Robt E. Bekeart, Executive Secretary
- Dick H. Okaji, Investigator
- Hannah Furuta, Recording Secretary

ORDER OF BUSINESS

ISLAND OF HAWAII SUBDIVISIONS

The Chairman opened the meeting with a report on his recent field trip to Hawaii to inspect various subdivisions and check with appropriate authorities. See Exhibit "A" to minutes for summary of Chairman's report. The Chairman expressed concern of the situation and considerable discussion was given to what the Commission could or should do in order to protect or alert the general public in these promotional subdivision offerings. Mr. Cross suggested, and it was the consensus of the membership, that the Investigator make an on-the-ground investigation of the County of Hawaii subdivision requirements, policies and practices, and all details pertaining to the conditions under preliminary approval and final approval, etc. and report at the next meeting so members can have an intelligent understanding of the situation thereby permitting them to take necessary and appropriate action.

FORMAL HEARING - RELCO vs WAIKIKI REALTY COMPANY, LTD ET AL

At 10:00 a.m. the formal hearing was called to order and concluded at 12:00 noon. The transcript of the proceedings of this hearing is made a part of these minutes. The deliberations and decision of the Commission are as follows:

The Commission found Waikiki Realty Company, Ltd., its principal broker George K. Yamashiro, and Masao Shintani, principal broker of Land Exchange, Ltd. guilty as charged and to be reprimanded. As regards Stanley T. F. Leu, salesman for Waikiki Realty, Ltd., the Commission felt that his principal broker should be held responsible for his conduct. All defendants in the case would be notified later after the letters of reprimand are prepared setting forth the Commission's findings and decision.

PARKER D. JEFFERS dba KUULEI REALTY, PART-TIME BROKER-EMPLOYER

Mr. Parker D. Jeffers appeared in person at the request of the staff to answer certain questions by the commissioners on the operation of his real estate office in Kailua. Mr. Jeffers informed the Commission that he holds a full-time job at the Pearl Harbor Naval Shipyard and that he has no difficulty in managing his real estate business, supervising the activities of one full-time and active saleswoman and two other passive salespeople (one a licensed broker) on the 26 days leave of absence a year he is entitled to and after-hours and on weekends. He informed members that he understands the full meaning and intent of Rule 6 of the Rules and Regulations, that the volume of his business is small and that he felt he was fulfilling his responsibilities as a broker-employer. He stated that a daily logging of activities by sales staff and frequent conferences with staff enables him to fully control and supervise staff's activities, that he does not share telephone or answering service with other brokers in the same building, that answering service arrangement charged to Mrs. Bahnsen was for the convenience of the saleswoman.

In discussion, members were in agreement that the arrangement was not conducive to serving the public interest as intended by Rule 6. Chairman advised Mr. Jeffers that he is put on notice that he should make arrangements to assign or work with a full-time broker in same building to supervise his realty office during normal business hours, and that the Commission will start a check of all brokers under similar situations as to their qualifying under Rule 6. Mr. Jeffers assured Commission that he will work out a remedy of the situation.

MINUTES OF PREVIOUS MEETING

Mr. Cross moved approval of minutes of March 21, 1961 as circulated. Mrs. Ahrens seconded the motion. Motion carried.

CONFIRMATION OF BROKERAGE LICENSES ISSUED

Mrs. Ahrens moved approval of confirming the following brokerage licenses issued under tentative approval by staff, seconded by Mr. Yamamoto. Motion carried.

LANIKAI REALTY, LTD - Imola I. Church, Prin. Bkr.  
Richard Y. H. Mew dba - BUDGET REALTY

MARCH EXAMINATION RESULTS

It was the decision of Commission to pass as qualifying for Real Estate Salesman candidates Nos. 1 through 115, No. 118 and No. 121.

It was the majority decision of the members that candidates No. 1 through 11 be qualified as Real Estate Brokers, with Mr. Cross dissenting on candidates No. 9, 10 and 11.

VANNATTA REALTY COMPANY, LTD

Executive Secretary reported orally on the resignation of Paul Arizumi as principal broker of the corporation. Kenneth Nobuta is registered as an independent broker at the same business address as the firm in question and possibly he

will apply to serve as the corporation's principal broker. To date no resolution has been forthcoming from Vannatta Realty Company, Ltd. appointing Nobuta or any broker to serve as principal broker and consequently all licenses issued under the corporation had been recalled.

Further, Mr. Arizumi, through his counsel, has formally advised the Commission that he is unable to account for approximately \$103,000 deposit money personally receipted by him for deposits for units in the Waikiki Cabana project, that he had been denied access to the corporation's books and that he had not during the tenure of his principal brokership been given control of the disbursement or refund from these funds. He reported that he has made a formal request for an accounting of these funds. Executive Secretary informed members that the staff has made a written request to Mr. David L. Mui, counsel for Vannatta Realty Company, Ltd. for an accounting of these monies and that to date no reply has been received.

WALTER'S REALTY

A report on the findings of the Investigator is made a part of these minutes.

ESTATES OF THE WORLD

Executive Secretary reported to Commission that our files on the Estates of the World and Hawaiian Acres had been turned over to the Attorney General's office at the request of the Attorney General for a possible investigation on the activities of Glen I. Payton, President of the corporation.

EBB-TIDE HOTELS, INC.

The Chairman made a report on the existing situation of the operations of this corporation.

The meeting adjourned at 4:00 p.m.

Respectfully submitted,



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Executive Secretary

APPROVED:

  

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AARON M. CHANEY, Chairman

EXHIBIT "A"

SUMMARY OF CHAIRMAN'S HAWAII INSPECTION TRIP REPORT  
(On-site inspection and conference with Mr. Hiroshi  
Kasamoto, Director, Hawaii Planning and Traffic Commission)  
April 13 - 14, 1961

KING'S LANDING

Personal inspection made. Little or no further roadwork done since September 1960. Activity going on in golf course area, leveling of ground, trucks and equipment running. One well had been dug for water but too brackish and second well planned to be sunk further inland. Mr. Kasamoto advised that tentative approval had expired on March 1961 and a 4-months extension granted. It was doubtful that roads would be completed by the end of extended date and in all probability another extension will be granted.

HAWAIIAN OCEAN VIEW ESTATES

Personal inspection made on site showed no road construction or any activity in this area. Mr. Kasamoto advises that lots have been sold and are being sold without roads. Preliminary approval granted four months ago.

FERN FOREST ESTATES

Final approval granted 7/21/58 with expiration 12/1/61. Project going on well and roads should be completed August 1961.

OHIA ESTATES

Final approval expires November 2, 1961. Little or no work has been done to date.

ROYAL HAWAIIAN ESTATES

Final approval expires June 1, 1962. No work done to date.

HAWAIIAN ACRES

Preliminary approval expires May 1961, granted in 1958. Roads are supposed to be finished by May 1961.

CRESCENT ACRES

Preliminary approval expires December 1961. Roads are completed.

ORCHID ESTATES

Preliminary approval expires December 11, 1961. Roads are about one-half complete.

RUDY TONGG'S SUBDIVISION (Near Dead Man's Curve)

Mr. Kasamoto advises their office received oral promises that county standard roads will be built, no completion date set. Some grading and base course work done, engineering plans still underway.

NANAWALE ESTATES

Final approval expires April 1962. This is a subdivision within a subdivision.

LEILANI ESTATES

Final approval expires August 1961. Very little work done. Rumors are that they are in financial trouble.

HAWAIIAN PARADISE ESTATES

Final approval expired February 1961. Roads only one-fourth complete.

AINALOA ESTATES

Final approval expires November 2, 1961. No work has been done to date. This property is unaccessible until adjoining subdivision puts in road.

PELEMIKE (Evelyn Sedlacheck (E))

Preliminary approval granted 5/16/60 - roads to be completed in two years with oil treatment of roads. Property currently not accessible.

HAYASHI'S SUBDIVISION

Preliminary approval granted 12/19/60 with provision for roads to be completed in two years with oil treatment of roads. Property not accessible as of this date.

ALII KAI (Kona)

Personal inspection made. Project proceeding well. No problem here.