

SUMMARY OF PROCEEDINGS  
TENTH MEETING OF 1961  
REAL ESTATE COMMISSION  
DEPT. OF TREASURY AND REGULATION  
STATE OF HAWAII

November 28, 1961

Chairman Aaron M. Chaney, presiding, called the meeting to order at 1:30 p.m. in Room 205, Empire Building, Honolulu 13, Hawaii.

Present were: Aaron M. Chaney, Chairman  
Dorothy S. Ahrens, Kauai Member  
Jack K. Palk, Oahu Member  
Erling P. Wick, Maui Member  
Hitotoshi Yamamoto, Oahu Member  
Robt E. Bekeart, Executive Secretary  
Dick H. Okaji, Investigator  
Hannah Furuta, Recording Secretary

Excused: Yukio Kashiwa, Oahu Member

ORDER OF BUSINESS

MINUTES OF THE PREVIOUS MEETING

Mr. Wick moved approval of the October 28, 1961 minutes. Mrs. Ahrens seconded. Carried.

CONFIRMATION OF BROKERS LICENSES

Mr. Yamamoto moved the approval for confirmation of the following brokerage licenses, seconded by Mrs. Ahrens, and carried:

HAWAIIAN-PACIFIC REALTY, INC. - 2260 Kamehameha Highway, Honolulu  
Henry A. Gomes, Principal Broker

PLANNING AND ORGANIZING 1962 PROGRAM

In order to give the members a clear picture of next year's activities the Chairman instructed the Executive Secretary to prepare a schedule of the events important to the Commission in the performance of its duties. Due dates for all reports are to be reflected and adhered to, staff vacations will be planned well in advance and employees are to take same, and the principal events, such as association conventions and executive meetings, neighbor island Commission hearings and others should be set down for planning purposes.

REORGANIZATION

Dr. Silva's memorandum of November 24, 1961 noting that the Governor had approved the detailed organization structure of the Department of Treasury and Regulation, as well as plans for implementation was discussed. On Mr. Palk's motion, it was ruled that a letter of acknowledgement should be forwarded the Treasurer assuring him of the Commission's cooperation and reserving for the board the right to bring up for discussion areas of overlapping functions or services as they come up.

Executive Secretary was instructed to prepare such a letter for the Chairman's signature.

ENFORCEMENT

Mrs. Agnes S. Cordeiro

Mrs. Agnes S. Cordeiro, broker, appeared for an informal conference to discuss her conduct in the matter of handling clients' funds. Mrs. Cordeiro assured the Chairman that she was capable of maintaining a proper accounting system of her clients' funds and will do so in the future. Chairman informed the respondent that the Commission is concerned with the manner in which she is using her clients' account and he stressed the mandate of Section 170-12(o) which prohibits commingling of funds.

Mrs. Cordeiro withdrew with the understanding that she remedy this situation at once. The Investigator will monitor this problem and report her compliance.

Central Realty, Inc. - BEACHWALK TERRACE

Deputy Attorney General Arthur S.K. Fong, in attendance.

Mr. Fong reported that inasmuch as Mr. Clarence Hamaishi is still negotiating the sale of the project and expects a financing commitment in two weeks, that is his recommendation that the Commission postpone taking any action for one month. Mr. Palk moved deferment for 30 days, Mrs. Ahrens seconded. Carried.

Vanatta Realty Company, Ltd - WAIKIKI CABANAS

Mr. Fong reviewed the file noting that it would be difficult to put on the case and make charges stick when the contract clearly favors the developer. He believed that purchasers of cooperative apartment units had given the developer the authority to use their funds on deposit. To date there has been little or no complaint activity from buyers of units.

Mr. Palk stated that in earlier study of the file there appeared to be elements of commingling and it would be in this area of violation that the Commission might act.

The matter was set aside with the instructions to the Executive Secretary that the project will be monitored and developments are to be reported.

Violet King - Mandamus Action Against Commission

Deputy Attorney General Yoshio Shigezawa, representing the Commission, has earlier reported that the action had been quashed in Judge Hawkins' court. He noted that an appeal had been made to the Supreme Court of Hawaii.

Eve Lynn Realty - TIKI GARDENS

The Commission reviewed the Investigator's memorandum report of November 24, 1961. Mr. Wick moved that the broker be called before the body for an informal conference at which time the members will probe for a possible violation in the area of false promises and misrepresentation.

After discussing the matter with counsel the Chairman instructed the Executive Secretary to have Mrs. Evelyn Sedlachek present at the next meeting.

PUBLIC HEARING

Special Deputy Attorney General Shigekane reviewed the proposed condominium rules and regulations. He noted a few changes that should be considered and suggested that such revisions could be taken up at the public hearing.

The Executive Secretary reported that the facilities at the Highway Division Auditorium had been checked and found adequate. From curbside and other reports it was likely that a large turnout could be expected. Court reporter, Tamotsu Muranaka, will be recording and Messrs. Fong and Shigekane will be present to advise and assist the Commission.

REGISTRATION NO. 1 - ACT 180

First condominium filing on "3019 KALAKAUA AVENUE APARTMENTS" had been received, the staff had scrutinized the documents and inspected the project. Mr. Shigekane reported he was presently studying a minor problem in the lease arrangements and it was his intention to have this resolved shortly.

In order to assist the developer in offering his units for sale to the public the Commission was of the opinion that a public report should issue. The Executive Secretary stated that the matter of issuing a preliminary report had been explored and if the developer and his sales agent were ready to advertise and sell, this could be done with the understanding that only reservations could be taken. The staff will follow up on this with Mr. Lennox and Earl Thacker Company.

RECESS

The meeting was declared recessed at 5:30 p.m. to reconvene at 7:30 p.m. in the Highway Division Auditorium, State Transportation Building for the purpose of holding a public hearing on proposed condominium rules and regulations, as well as registration procedures.

RECONVENED IN PUBLIC HEARING

The Chairman reconvened the meeting at 7:30 p.m. in the Highway Division Auditorium, State Transportation Building. He declared to the audience of approximately 135 persons the purpose of the assembly and urged all present to participate. (Mr. Muranaka's transcript of the three-hour proceedings is available.)

The Chairman declared the public hearing closed at 10:30 p.m.

Respectfully submitted,



Robt E. Bekeart  
Executive Secretary

APPROVED:

  
Aaron M. Chaney, Chairman