

REAL ESTATE COMMISSION  
Professional & Vocational Licensing Division  
Department of Treasury & Regulation  
State of Hawaii

MINUTES OF MEETING

Date: Tuesday, December 18, 1962

Place: Conference Room No 1, 313 So. Beretania St., Honolulu 13, Hawaii

Present: Theodore R. James                      Jack K. Palk  
Dorothy S. Ahrens                      Erling P. Wick  
William A. Beard                      Robt E. Bekeart, Executive Secretary

Absent: Yukio Kashiwa, excused              Hirotoshi Yamamoto

Call to Order: The meeting was called to order by the Chairman, Mr. James at 10:00 a m.

Minutes: The minutes of the previous meeting, as distributed, were corrected as follows:

Mrs. Ahrens was recorded as present when in fact she was absent and excused.

Under Condominium Registrations it is to be noted that THE INTERNATIONAL BUILDING condominium information and exhibits were taken under advisement.

UPON MOTION the Commission approved the corrected minutes of the November 20, 1962 meeting.

Motion passed unanimously.

Financial Report: Commission reviewed the Financial Report for the month ending November 30, 1962. It was noted as received.

Business Out of Minutes: New Corporations, Partnerships and DBA Licenses

UPON MOTION the Commission rules that licenses tentatively authorized by the Executive Secretary be issued:

Masao Uyehara . . . . . dba McCULLY REALTY  
Thomas T. Nakahara . . . dba THOMAS T. NAKAHARA REALTY

Motion passed unanimously.

Subdivision Registrations

UPON MOTION the Commission accepted the registration of KEAPUKA TRACT SUBDIVISION - UNIT 2-A, Kaneohe, Oahu; 57 lots; developer - Tract Development Organization; Clarence R. Short, authorized officer or agent.

Motion passed unanimously.

UPON MOTION the Commission rules to take the following subdivision registrations under advisement: RIO GRANDE ESTATES SUBDIVISION, UNITS D, E, F and G, Valencia County, New Mexico; 7,380 lots; developer - Alameda Land Corporation; Sidney Nelson, authorized officer or agent.

ARIZONA SUN SITES - UNIT 7, Cochise County, Arizona; 835 lots; developer - Horizon Land Company; Sidney Nelson, authorized officer or agent.

The Commission in discussing the volume of out-of-state subdivision registrations stressed the need in assisting the administrator in the investigation and review of information, promotional and advertising material and technical documents and exhibits that come in with the registration form. It was agreed that the Executive Secretary would route the subdivision registration file to a member of the Commission on a rotation basis and the commissioner would study the filing and make his findings to the administrator. It was believed that a refinement of this routing procedure would lead to the establishing of a check list for the reviewing member to record questions, opinions or suggestions for the guidance of the Executive Secretary in his communications with the developer. To initiate the system Mr. Beard volunteers to review RIO GRANDE ESTATES SUBDIVISION and Mr. Palk will study ARIZONA SUN SITES - UNIT 7.

In discussing these New Mexico and Arizona offerings Mrs. Ahrens suggested that reference be made to an article appearing recently in the SEPT-OCT 1962 NALLO NEWS which reported the position of the Chicago Better Business Bureau on "FREE HOME" promotion by Horizon Land Company.

Motion passed unanimously.

#### Subdivision Information

UPON MOTION the Commission noted as received information on following subdivisions:

DEL RIO SPRINGS, Prescott, Arizona; developer - Del Rio Springs Development Company; John Lustig, authorized officer or agent. HAPPY VALLEY HOMESITES, Kalispell (near Flathead Lake), Montana. /

The Commission scanned the material and exhibits received. The Executive Secretary was instructed to notify each subdivider what the subdivision regulations require.

Motion passed unanimously.

#### Condominium Registrations

UPON MOTION the Commission approved Registration No. 8, THE KIHEI SANDS condominium project at Makena, Island and County of Maui. A Preliminary Public Report has been issued.

The administrator presented the anticipated problem where the Chairman might not be available to sign the public report. The Commission agreed that there should be continuity in the line of succession for carrying out ministerial functions of the regulatory body. The members recommended that Mr. Palk be authorized to sign in lieu of the Chairman if the latter was not available.

Motion passed unanimously.

The Executive Secretary reported that Registration No. 9, THE KAUAIAN condominium project at Koloa, Island and County of Kauai has been received and the public report is under preparation. Mrs. Ahrens volunteered to assist in verifying statements made by the developer, Milo Marchetti, Jr., before County of Kauai officials.

UPON MOTION the Commission approved Registration No. 10 HAWAII-KAI CONDOMINIUM PROJECT, Lot No. 1, Kaalakei Valley Unit 1-D, at Maunaloa, City and County of Honolulu. A Preliminary Public Report has been issued.

#### Third Examination of 1962

The Executive Secretary, as an addendum to the agenda of the November 20, 1962 meeting distributed to Commission members the results of the recent examinations conducted throughout the state.

UPON MOTION the Commission rules that salesman applicants under the margin numbers 1 through 32 be found qualified in the October 27, 1962 written examination and that licenses be issued when all requirements have been met.

Motion passed unanimously.

UPON MOTION the Commission rules that broker applicants under the margin numbers 1 through 12 be found qualified in the November 3, 1962 written examination and that licenses be issued when all requirements have been met.

Motion passed unanimously.

Recommendations of the Executive Secretary are attached as a separate exhibit to these proceedings.

As part of the discussion on the performance of applicants in the two written examinations the members reviewed the opportunities available to the candidates in helping them prepare for the test. The problem of prospective broker-employer assisting the applicant with worthwhile training, orientation and instruction was discussed. The necessity of having a prospective employer vouch for a salesman applicant was weighed

by the members. The Commission agreed that this matter should be studied by the Executive Secretary and that his recommendations be presented at the next meeting with the goal of revising the salesman application form. The members were in agreement that the Statement of Prospective Broker-Employer could be deleted from the application. A statement setting forth the information prescribed by the Commission might include credit report information, finger print identification check and such other information as the members may require. It would be the intention of the Commission to revise its salesman application procedures in order to afford the public maximum protection while at the same time removing some of the built-in disadvantages of the present application form.

#### STANDARDS OF COMPETENCY FOR LICENSEES

The Executive Secretary noted the action of the NALLO Board of Directors at the 1962 Conference as reported in the NOV.-DEC. 1962 NALLO NEWS. The 1962 Special Committee on Standards of Competency for Licensees, under A. J. Dawson, Chairman presented their recommendations and urged the Board of Directors to adopt a provisional Standard of Competency as outlined in the special committee report.

UPON MOTION the Commission ruled that a proposed set of Standards of Competency for a Real Estate License in the State of Hawaii should be presented at the next meeting for the commissioners' consideration.

Motion passed unanimously.

#### 1963 SCHEDULE OF EVENTS

The Executive Secretary presented an outline of activities for coming calendar year. The Commission reviewed the events and accepted the administrator's suggestion for the ensuing twelve months.

UPON MOTION the Commission rules that meetings would be conducted on the third Tuesday of each month, that at least one meeting is to be held on each of the neighboring islands of Kauai, Maui and Hawaii. Salesman and brokers examinations are to be given on the same day during the week in the middle of March, June and October, 1963.

Motion passed unanimously.

#### HONOLULU BOARD OF REALTORS

The Commission being cognizant of NALLOs stated position to foster and improve inter-organization relationships between the regulators and the National Association of Real Estate Boards discussed the status of the local boards recommendations for amending the licensing statute in order to permit some degree of flexibility under reciprocal pacts or agreements to divide commissions with out-of-state brokers. The

Executive Secretary reported on the progress to date of the Boards Subcommittee on Reciprocity, under Ed Bolles, Chairman.

In keeping with 1962 NALLO Conference decisions the Executive Secretary suggested that liaison with the local NAREB affiliate could be improved where there is a mutuality of interest between NAREB and NALLO. He recommended that the Honolulu Board of Realtors be extended an invitation to attend monthly Commission meetings permitting the industry representative to observe operations and deliberations of the regulatory body which are not restricted and confidential in the public interest. The Commission accepted the recommendation with the proviso that the question of delicate or sensitive agenda items would be resolved without prejudice to any interested parties.

The Executive Secretary noted that the SECOND LEGISLATURE OF THE STATE OF HAWAII, 1963 Regular Session would be convening in mid-February. The Commission agreed that the same procedure be used for the coming session as was used in the 1961 LEGISLATIVE PROGRAM to advise the members on introduction, action, and progress of legislative proposals which are of concern to the Commission or the real estate industry.

An oral report by the Executive Secretary made note that the President of the Honolulu Board of Realtors acted favorably to the administrator's suggestion that the Board establish a License Law Committee as many state associations have done.

EDWARD H. PEINE, Complainant, vs. PATRICK M. MURPHY, Respondent

The Executive Secretary reported an article in the daily press on a Hawaii Supreme Court action upholding a decision of the lower that Patrick M. Murphy dealt fraudulently with Edward H. Peine in a 1958 land transaction on the Island of Hawaii.

UPON MOTION the Commission rules to reconvene the hearing in this matter as it was postponed on November 28, 1958 until a final determination was made in the court on the civil suit filed by the complainant. The hearing would re-convene before the commissioners at the next meeting.

Motion passed unanimously.

MARK TWAIN ESTATES II SUBDIVISION

Mr. Beard reported on his conferences with Mr. James Boyle, CARL-SMITH, CARLSMITH, WICKMAN and CASE, Attorneys at Law. It is to be expected that a new Escrow Agreement will be prepared incorporating the concept of IBM data processing of depositors monies and when counsel has drawn the new document it will be presented to the Commission for acceptance. In the interim the attorneys for the developer intend to advise the Commission by letter as to progress on this matter.

Conflict of Interest

The Executive Secretary reported recent licensing activity by those City and County employees who had received letters from Mayor Neal S. Blaisdell instructing them to give up employment which might tend to be in conflict with their duties as government workers.

The Commission instructed the administrator that he was to advise those licensees inquiring as to the categories in which licenses held when a person is not actively engaged in the real estate business.

California Real Estate Commissioner's Action

The Executive Secretary noted the two recent Desist and Refrain orders signed by Commissioner W. A. Savage against HAWAIIAN OCEAN VIEW ESTATES SUBDIVISION and LEILANI ESTATES SUBDIVISION on the Island of Hawaii.

BEACHWALK TERRACE

As this project is one of the three Waikiki files under scrutiny by the Commission the Executive Secretary reported that there was constructive activity on this real estate in that Drury Melone, broker, had secured a listing on the property and with the intention of developing it for marketing.

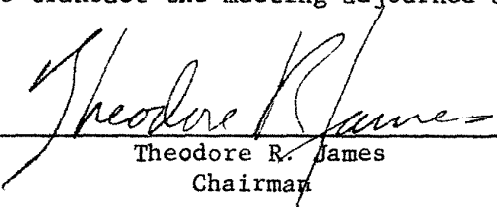
JAMES L. HUMPERT, OLIVER KINNEY, DONALD TROXELL and KAY MARTIN, Complainants vs. CHAD DUNSTAN, Respondent.

As ruled in an earlier meeting the Executive Secretary sent a letter to the complainants' counsel advising him to suspend, modify or withdraw the complaint.

A letter has been received by Axel Ornelles, attorney, informing the Commission that the stockholders of Surftide-Skylane, Inc. no longer wish to proceed with the hearing and that said letter will serve as a formal withdrawal of their request for same.

Date of Tuesday, January 15, 1963 at 9:30 a.m.  
Next Meeting:

Adjournment: There being no further business to transact the meeting adjourned at 1:00 p.m.

  
Theodore R. James  
Chairman