

2/19/63

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

MINUTES OF MEETING

Date: Tuesday, January 29, 1963

Place: Public Utilities Commission Hearings Room
313 So. Beretania Street, Honolulu 13, Hawaii

Present: Theodore R. James Jack K. Palk
Dorothy S Ahrens Erling P. Wick
William A. Beard Robt E. Bekeart, Executive Secretary
Yukio Kashiwa
By invitation, Mr. Mason Hironaka, 1st Vice President, HONOLULU BOARD
OF REALTORS

Absent: Hirotoshi Yamamoto

Call to Order: The meeting was called to order by the Chairman, Mr. James, at 9:55 a.m.

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

The Chairman reviewed the matter of the Statement of Prospective Broker-Employer in the salesman's application form. The members discussed the need of this requirement and feeling that the procedure of applying for license could be improved directed the Executive Secretary to study possible revisions to the form which would include the deletion of this requirement and substitute in its place the condition that upon filing of the application a person would have secured a fingerprint identification clearance, credit bureau check of financial responsibility and application for the required surety bond.

Mr. Beard advanced the problem of supervision and control in branch office operations. He noted that a situation exists in the County of Hawaii where a salesman is operating under a sign which directs the public to a second level of a building and it is believed that there is no Broker-in-Charge as required in Rule No. 6. The Chairman spoke of the problems a firm encounters in meeting the Commission's requirements that each branch office have a broker responsible for the conduct of business in an office apart and away from the main office. The Executive Secretary noted that this matter is to be considered in the research of new rules and regulations for adoption and promulgation.

The Executive Secretary reported that in the case of the stockholders and board of directors of SURFTIDE NAMAHA vs. Chad Dunstan, Broker, the attorney for the complainant had filed with the Commission a letter withdrawing the complaint of February 16, 1962 as this body had directed.

UPON MOTION the Commission approved the corrected minutes of the December 18, 1962 meeting.

Motion passed unanimously.

Financial Report:

Commission reviewed the Financial Report for the month of December 1962 and up to and including January 25, 1963. The receipts from the 1963 Renewal Application Project and issuance of new licenses to date was \$48,157.00. The members, UPON MOTION, noted the report as received.

Motion passed unanimously.

Hearing:

Edward F. Peine, Complainant vs. Patrick M. Murphy, Respondent

The Chairman reviewed his knowledge of the 1958 proceedings in this matter and reported on his discussions with Mr. Shiro Kashiwa, attorney for the respondent, and Mr. Hyman Greenstein, attorney for the complainant. The representative of the DEPARTMENT OF THE ATTORNEY GENERAL, Mr. Andrew Ono, advised the commissioners on possible courses of action which could be taken. As the Chairman was in a position to report on the feelings of both parties in this case and in light of complainant's counsel requesting that the matter be set down again the Commission, UPON MOTION agreed to move it ahead to the March, 1963 meeting.

License Revocation:

Violet C. King

The Executive Secretary read into the proceedings a letter from Mrs. Violet C. King requesting that a broker license issued her and revoked on June 15, 1960 be restored and reinstated. UPON MOTION the Commission moved the denial of the request and directed the Executive Secretary to advise her to review the licensing statute and file with the Commission the required application for a new license as a real estate salesman.

Business Out of Minutes:

LICENSING (Section 170-1 through 170-14)

UPON MOTION the Commission denied the request of Mr. G. S. Cornlius that he be given an oral examination in lieu of the written test required.

Motion passed unanimously.

UPON MOTION the Commission approved the request of Mr. Cliff Krueger to write the March 12, 1963 broker examination. Further, the members noted that the proceedings should reflect the deliberations of this body in reviewing Mr. Krueger's extensive education, knowledge and experience in the real estate profession. Because of the applicant's position as lecturer, authority, nationally known practitioner and writer it was the consensus that here was a very unusual applicant.

Motion passed unanimously.

UPON MOTION, following a report from the Executive Secretary on his three hour oral screening of the applicant, the Commission accepted the application of Mr. E. Butler Smith to write the March 12th broker examination.

Motion passed unanimously.

UPON MOTION, following the Executive Secretary's report on the matter, the Commission disapproved the request of Mr. Tadashi Hanazawa for a further reevaluation of his broker test performance and the issuance of a license to him as a broker.

Motion passed unanimously.

SUBDIVISIONS (Section 170-30 through 170-38)

a. MARK TWAIN ESTATES - UNIT NO. 2

UPON MOTION the Commission accepted the report James W. Boyle, attorney, that there is no further action requested of this body, for the present, in the redrafting of the Escrow Agreement for subject development.

Motion passed unanimously.

b. HORIZON LAND CORPORATION

1. RIO GRANDE ESTATES SUBDIVISION - UNITS D, E, F, G.

Commissioner Palk, having reviewed the documents and exhibits, in this project reported that there were no discrepancies in the registration material he studied.

2. ARIZONA SUN SITES SUBDIVISION

Commissioner Beard reported that in his review of this registration he found one small point that should be verified. He noted that there was a slight difference in the manner in which the developer answered the question of bus transportation for high school students in the Willcox Arizona area. Mr. Beard was of the opinion that the developer should be asked to discuss this point.

UPON MOTION, with the reservation that the Executive Secretary, verify this representation on transportation of students from the subdivision to high school in Willcox, the Commission accepted the registration of these two HORIZON LAND CORPORATION offerings.

Motion passed unanimously.

CONDOMINIUM (Sections 170A-1 through 170A-33)

- a. REGISTRATION NO. 4 - 100 WELLS KANOA BUILDING, Wailuku, Maui. The Executive Secretary reported that it will be possible to work up the final public report with a lessening of the administrative work load.
- b. REGISTRATION NO. 9 - THE KAUAIAN The Executive Secretary will proceed with the assembling of all documents and exhibits. It is anticipated that a final public report can issue within a working week.

MISCELLANEOUS

Honorable Sidney I. Hashimoto, Treasurer, State of Hawaii, made his official initial call on the Commission assembled. He was accompanied by his deputy, Mr. Nobuo "Mike" Tokunaga and Mr. Dick Okaji, Licensing Administrator.

The Chairman formally introduced Mr. Mason Hironaka, First Vice President of the HONOLULU BOARD OF REALTORS and reading from the 34th Annual Nallo Conference proceedings in Honolulu noted that the resolution of October 19, 1963 established a new standing committee to be known as the NAREB Liasion Committee. The Chairman stated that in order to expand the area of mutuality of interest with industry the Commission has invited the local NAREB organization to attend and participate in this body's deliberations. It was the hope of the commissioners that Mr. Hironaka could be present at each monthly meeting.

After observing the actions of the Commission for approximately twenty minutes the Treasurer, Mr. Hashimoto and his associates withdrew recognizing that the commissioners had a heavy agenda, that if there was anything the Commission needed in the way of assistance or service they only had to call upon the Department for help.

The Executive Secretary reported on the progress in other states of establishing Standards of Competency for Licensees. He proposed that the Commission give serious consideration to the creation of such standards for Hawaii licensees and suggested that at a future meeting the Commission, after reviewing the material to be assembled and distributed, resolve similar conditions for this jurisdiction.

The Commissioners noted receipt of the RESOLUTION on success of the Honolulu Conference of NALLO and directed the Executive Secretary to acknowledge receipt of this document and extend sincere thanks to Mr. Robert Semenow, Executive Vice President of the Association.

The question of what progress has been made to date with the HONOLULU BOARD OF REALTORS on the matter of reciprocity. The Executive Secretary was directed to contact the Board to determine what is its present position on this matter of possible legislative proposals.

New Business:

LICENSING

New Corporations, Partnerships and DBA Licenses

UPON MOTION the Commission rules that those licenses tentatively authorized by the Executive Secretary for:

Charles G. Felstead	dba	Felstead Hawaii
Floyd Kaneshiro	dba	Honolulu Realty Co.
Clarence S. L. Tam	dba	Liasion Hawaii
William L. A. Farm	dba	Bill Farm

be issued.

Motion passed unanimously.

Branch Office

The Commission noted the application of ATKINSON ASSOCIATES for a branch office authorization in the Banyan Court at Kailua-Kona, Hawaii. UPON MOTION the Commission deferred action on this request until more information was received on how the operation will be conducted, who will be in charge, what sort of control and coordination will the main office exercise over this satellite agency.

Motion passed unanimously.

Mrs. Nita Cooper, in an earlier letter to the Chairman and Members had requested that her experience in real estate be taken into consideration for a possible oral examination of her November 3, 1962 performance in the broker examination. UPON MOTION the Commission ruled that Mrs. Cooper not be given any special or favorable treatment in the examination process and that she meet the same requirements that all other candidates do.

Motion passed unanimously.

Mrs. Charlotte Eccleston, in an earlier letter to the Executive Secretary had challenged two answers in the October 27, 1962 salesman examination. The administrative officer had carefully reviewed the matter with Mr. Ralph Yamaguchi, attorney for the HONOLULU BOARD OF REALTORS, and the Commission answers were found correct beyond any doubt.

UPON MOTION the Commission ruled not to reconsider Mrs. Eccleston's appeal for issuance of a license and that she be directed to make application for the March examination.

Motion passed unanimously.

New Business:

SUBDIVISIONS

- a. PUA KIELE SUBDIVISION, Wahiawa, Kelaheo Kona, Kauai; developer - ALEXANDER & BALDWIN, INC.; 33 lots, authorized officer or agent - J. T. Waterhouse, R.C. Jamieson.

UPON MOTION the Commission accepted this registration.

Motion passed unanimously.

- b. KAHU TRACT SUBDIVISION, Waipahu, Oahu; developer - PACIFIC LAND HUI; 74 lots; authorized officer or agent - Hung Wai Ching.

UPON MOTION the Commission accepted this registration.

Motion passed unanimously.

- c. NANAWALE ESTATES SUBDIVISION for information purposes was placed before the Commission as a result of the Executive Secretary's conferences with Mr. John Ewing Duff, General Partner and Mr. Richard Tsui, broker.

Mr. Duff has come to Hawaii with the intention of offering this Puna-Keaau development to the public through a sales apparatus where he will be operating as a principal. It is also likely that Mr. Tsui will be merchandising lots in this subdivision through his licensed operation of agency and sales staff.

- d. HAWAIIAN BEACHES SUBDIVISION and HAWAIIAN PARKS SUBDIVISION becomes an information item for the commissioners after the Executive Secretary had conferred twice with the developer - Mr. George Hacker, President and Mr. F. E. Scherich, Vice President and Treasurer of the Corporation.

The Chairman commented on his scrutiny of this lobby sales operation at one of the Waikiki hotels. The Executive Secretary reported that the owners inferred that they were going to de-emphasize this procedure in favor of having their broker representative, Mr. Ben Kong, broker, be responsible for selling through regularly established sales personnel.

- e. CRESCENT ACRES SUBDIVISION, became an agenda item because of a letter of complaint from Mr. L. J. Quinn in California on excessive interest charging. Commissioner Beard had reviewed this matter with the developer's accounting staff and upon examination he found their procedure to be in keeping with normal accounting methods. He found certain aspects of their internal/external control systems acceptable. Recommendations were advanced and favorably accepted by the developer.

The Executive Secretary was directed to prepare a memorandum report for the information and attention of the Governor to be used as the outline of a reply to the complainant.

CONDOMINIUM

- a. REGISTRATION NO. 11 - THE SANDALWOOD in the Pawaai-Kai Subdivision area of Honolulu had been granted a Preliminary Public Report.

- b. REGISTRATION NO. 12 - OCEANSIDE MANOR at 3015 Kalakaua Ave., Honolulu had only recently been amended by the developer. The Executive Secretary reported that he was attempting to work up a Final Public Report on this ten-story condominium project.
- c. FEDERAL HOUSING ADMINISTRATION - Mr. J. Stowell Wright, Director, Honolulu, Hawaii had delivered to the Commission this day a letter suggesting that the Real Estate Commission serve as a clearing house for any unified attempt by those interested in revising, changing or amending the Horizontal Property Regimes Statute.

It was agreed that more information on this subject would be forwarded to the commissioners following the close of today's meeting.

MISCELLANEOUS

For information of the commissioners the Executive Secretary noted the following:

- a. H. Frank Ray's operation in this jurisdiction.
- b. The Treasurer's HEARING PROCEDURE GUIDE ON CONTESTED CASES had been distributed to each member.
- c. The Licensing Administrator's paper "Brief Outline of Problems in Licensing Division" for the attention of the Treasurer.
- d. Possible revision of RECO FORM 11 - Real Estate Salesman Application.
- e. March 12, 1963 Salesman and Broker Examinations.
- f. February 19, 1963 meeting to discuss substantive Rules & Regulations.

Date of

Next

Meeting:

Tuesday, February 19, 1963

Adjournment:

There being no further business to transact the Chairman declared the meeting adjourned at 12:55 p.m.

Theodore R. James
Chairman

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2/18/63