

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

MINUTES OF MEETING

Date: Tuesday, March 19, 1963

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
Yukio Kashiwa Roy Takeyama, Deputy Attorney General

By invitation - Mr. Mason Hironaka, 1st Vice President, HONOLULU
BOARD OF REALTORS

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

Minutes: UPON MOTION, the members approved the minutes of the February 19, 1963 meeting.

Motion passed unanimously.

Financial Report: Commission reviewed the Financial Report for the REAL ESTATE COMMISSION ending February 28, 1963. The members, UPON MOTION, noted the report as received.

Motion passed unanimously.

Business Out of Minutes: LICENSING (Sections 170-1 thru 170-14)
March 12, 1963 Examinations

The Executive Secretary reported on the administration of the examinations throughout the State on Tuesday, March 12, 1963. He noted that the Honolulu facilities, using the ALA MOANA BANQUET HALL, were found acceptable to all candidates interviewed and the general feeling of applicants pointed to an appreciation of this improvement in test site conditions.

The statistics for the first examination of 1963 are as follows:

	<u>Broker</u>	<u>Salesman</u>
Oahu	39	139
Hawaii	2	10
Kauai	1	0
Maui	0	2
Total	<u>42</u>	<u>151</u>

Mr. Beard noted that there were minor discrepancies in the examination booklets that should be cleared up. He was specifically interested in any information given as a problem or as part of a question, he spoke of errors in addresses, telephone numbers and other items that should be accurate and consistently presented for the benefit of the examinee. It was apparent, Mr. Beard stated, that the examination library of questions should be strengthened as much of the material in the March 12th examination had also appeared in the November 1962 test booklets. The Hawaii commissioner volunteered to assist in the strengthening and improving of the license examination and particularly felt that he could contribute in certain aspects of the broker examination, i.e. the closing statement section.

UPON MOTION, the members ruled that the Executive Secretary was to revive the Commission's procedure of developing new examination questions and routing these to the membership for review and comment.

Motion passed unanimously.

SUBDIVISIONS (Sections 170-30 thru 170-38)

UNIVERSITY TERRACE - The commissioners discussed the status of this project and the Chairman briefly commented on his field inspection at the site of this offering. The Executive Secretary reported that he had received several telephone inquiries on whether this project had been registered with the Commission. Also, he had experienced many curb-side conversations with real estate practitioners, developers, attorneys and other interested persons who were concerned with the Commission's position in this matter.

Mr. Takeyama, Deputy Attorney General, noted that it would be difficult to find this TRANS-HAWAII INVESTMENT CORPORATION plan within the jurisdiction of the Commission under the subdivision regulations. He volunteered that upon reviewing Section 170-31, R.L.H. 1955, as amended, he could not interpret favorably for the Commission that this would fall within the definition of a "subdivision".

The Executive Secretary noted, that the Legislature in its wisdom had made Section 170-31 expansive to include all plans and projects regardless of the form in which they are organized or transacted.

UPON MOTION, the Commission ruled that lacking clear-cut jurisdiction over the UNIVERSITY TERRACE project the Executive Secretary would investigate this offering through the broker network which has publicly advertised that they were selling these undivided interests. In particular the investigation would focus on the licensees' operation to determine if they themselves understood what it was they are offering for sale to the public and are they versed in the pitfalls that a purchaser faces in this type of investment or speculative offering.

Motion passed unanimously.

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

As the Attorney General's representative was committed to another meeting the Chairman adjusted the agenda to permit this matter to be discussed while Mr. Takeyama was present.

The Executive Secretary introduced a letter from respondent's counsel, Mr. Shiro Kashiwa, Attorney, which requested that the proceeding against Patrick M. Murphy be put over to the May meeting.

Deputy Attorney General Takeyama noted that he had given the file more study and at a future date he would be prepared to put the matter as a continuance of the original hearing.

The Commission restated, for the record, its position that the hearing is to be continued

UPON MOTION, the Commission ruled that the hearing would be continued at 9:30 a.m. Tuesday, May 21, 1963 in the Public Utilities Commission Hearings Room and that the interested parties are to be so advised.

Motion passed unanimously.

SUBDIVISIONS (Sections 170-30 thru 170-38)

PINON RIDGE - UNIT 1 Project located near to town of Duchesne, County of Duchesne, Utah; 655 lots, developer - Glendale-Maryland Development Co. and Robert E. Cleveland and Elizabeth Jean Cleveland, 444 W. Camelback Rd., Phoenix, Arizona. The Executive Secretary reported that the developer's representative, Robert E. Cleveland, had come to Hawaii for the purpose of registering this project with the Commission and establishing a system of brokerage representatives to offer this land for sale.

Mr. Palk, having carefully reviewed the registration, set down his memorandum of points in the filing that could be improved if the developer's agent was available. The Executive Secretary stated that the Palk memorandum had been discussed with Mr. Cleveland and he gave assurance that he would communicate with the Commission immediately upon his return to his office. Subsequently a statement was received in which Mr. Cleveland addressed himself to Mr. Palk's memorandum.

Believing that the developer had complied with the Commission's suggestion, UPON MOTION the members ruled the acceptance of this registration.

Motion passed unanimously.

ARIZONA RANCHEROS Project located near town of Holbrook, County of Navajo, Arizona; 224 lots; developer - Arizona Land Corporation, 3507 N. Central Ave., Phoenix, Arizona.

Mr. Kashiwa, having reviewed this registration, noted that the information and documents were brought together in a well-organized manner and to his knowledge everything seemed to be in order. UPON MOTION the Commission ruled the acceptance of this registration.

Motion passed unanimously.

ENFORCEMENT OF SUBDIVISION REGULATIONS

Expressing concern over the possibility that registered subdivisions may have become inoperative or undergone changes, the Commission directed the Executive Secretary to set up a system of communications with subdividers to assure a steady flow of information on developments that are taking place on the site. The members believed that it's the Commission's responsibility to ask for reports of progress from developers, to inquire of the number of Hawaii residents that have purchased lots and to generally seek the cooperation of the developer to keep the file active and current

UPON MOTION the Commission ruled that such a procedure be established at once and the Executive Secretary report at the next meeting on this matter.

Motion passed unanimously.

KEAPUKA TRACT - UNIT 2C Project located near town of Kaneohe, City and County of Honolulu, Hawaii; 44 lots; developer - TRACT DEVELOPMENT CORPORATION, 915 South Street, Honolulu, Hawaii.

UPON MOTION the Commission ruled the acceptance of this registration.

Motion passed unanimously.

HANAMAULU HOMES - UNIT 1 Project located near the town of Lihue, County of Kauai, Hawaii; 151 lots; developer - The Lihue Plantation Co., Ltd., P. O. Box 751, Lihue, Kauai, Hawaii. The Executive Secretary reported that he had made a field inspection check of this project on March 13, 1963 and found progress underway in improvements, utilities and house construction.

UPON MOTION the Commission ruled the acceptance of this registration.

Motion passed unanimously.

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

REGISTRATION NO. 2 - THE MARQUESAN The Executive Secretary reported that the developer's representative, Mr. Earle Spangler, was in on preliminary discussions attendant to reviving this horizontal property regime. A study of the developer's proposal showed that the original project has undergone several material changes. The Executive Secretary

was of the opinion that changes in the number of floor levels, expiration of the building permit with municipal authorities and other such revisions should cause the developer to file this project under a new registration. It was noted that, if these changes alter the setup or value of the offering then it would be proper to require a new condominium registration. UPON MOTION the Commission delegated to the Executive Secretary the responsibility of studying this matter further and if after conferring with the developer he believes a new registration is warranted and in the public interest Mr. Spangler is to be so advised.

Motion passed unanimously.

REGISTRATION NO. 4 - 100 WELLS-KANOA BUILDING The Executive Secretary reported that on March 14, 1963 the Chairman signed the Commission's final report on this project.

UPON MOTION the Commission confirmed the Chairman's action.

Motion passed unanimously.

REGISTRATION NO. 13 - 2987 KALAKAUA The Executive Secretary reported that on March 15, 1963 the Chairman signed the Commission's final report on this project.

It was noted that this registration covered converting an existing rental income apartment building to a condominium.

UPON MOTION the Commission confirmed the Chairman's action of March 15th.

Motion passed unanimously.

Licensing:

There were no new dba's, partnerships or corporations making application for license since the last meeting.

NATIONAL ASSOCIATION OF LICENSE LAW OFFICIALS STANDARDS OF COMPETENCY

UPON MOTION the Commission directed the Executive Secretary to prepare items (a) through (p) on Page 3, memorandum of February 14, 1963, in appropriate form as a resolution to be acted upon by the Commission at its next month's meeting on Maui.

Motion passed unanimously.

NALLO OFFICERS, DIRECTORS AND EXECUTIVE COMMITTEE MEETING The Executive Secretary reported that President Dawson had issued the call for the Spring Meeting of the Officers, Directors and Executive Committee to convene in Wichita, Kansas on May 17-18, 1963. It was noted that in estimating mainland travel for Fiscal Year 1962-3 consideration was given to two Hawaii representatives traveling to the 1963 NALLO Western District Meeting which conceivably could be held at Salt Lake City, Utah. At the

time the travel requirements were made there was no way of knowing that the Executive Secretary would be nominated and elected as a NALLO Director during the Honolulu Conference. The Executive Secretary was of the opinion that if the Commission approved his attendance at the Spring Meeting that adjustments could be made in the Commission's planned expenditures for Fiscal Year 1962-63.

UPON MOTION the Commission ruled that the Executive Secretary's attendance at the NALLO Spring Meeting be encouraged and approved. Further, that necessary arrangements for this out-of-state travel be discussed with departmental officers.

Motion passed unanimously.

1963 NALLO WESTERN DISTRICT MEETING

The Executive Secretary reported that District Vice President Voorhees has issued the call for the Western District Meeting to convene June 6-7, 1963, in Boise, Idaho.

The Executive Secretary noted that after attending his first regional meeting at Seattle in 1962 he was impressed with the value of such geographical assemblies where the western officials met to resolve day-to-day problems while at the same time they improved and strengthened cooperation between jurisdictions having the bulk of the substandard subdivisions.

The members discussed the possibility of using a portion of the out-of-state travel money earmarked for a meeting in Salt Lake City for a Hawaii commissioner to attend the Idaho conference.

UPON MOTION the Commission ruled that this matter was to be taken under advisement and at the next meeting it would be resolved.

Motion passed unanimously.

1963 EXAMINATION SCHEDULE

The Executive Secretary recommended that the second examination be conducted throughout the State on Wednesday, June 19, 1963 while the third test be given on Tuesday, October 15, 1963.

UPON MOTION the Commission accepted the recommendation. Further, the members directed the Executive Secretary make appropriate public notices before each examination so everyone interested may apply.

Motion passed unanimously.

PETER SHAYNE ENTERPRISES

The Hawaii commissioner rounded out his investigation report on this operation. The Executive Secretary reported that he had received an answer from Mr. Shayne and the letter, with attached exhibits, places this person in a position of violating the real estate broker and salesman law.

UPON MOTION the members, having discussed this problem, found Peter Shayne in violation of Chapter 170. Further, the Executive Secretary was directed to review this matter with the Department of the Attorney General for prosecution.

Motion passed unanimously.

BRANCH OFFICE CONTROL AND SUPERVISION

The Commission has set this matter aside to be discussed on the agenda of the Maui meeting, next month.

MEETING ON THE ISLAND OF MAUI

Commissioner Wick presented two plans for the members' consideration. Having discussed this project for the past three meetings, the Commission was of the opinion that Mr. Wick's proposal for the meeting to commence Friday, April 26 in Wailuku was acceptable. The members were in agreement that various land development projects on the Valley Isle should be inspected, that the two condominium projects are to be checked and a Saturday morning, April 27 meeting with Maui licensees to go over proposed changes to the rules and regulations would round out this important event. Officials of the Pioneer Mill Co., Ltd. are prepared to assist the Commission during its inspection of West Maui developments.

The Executive Secretary, by agreement of the members, is to administer a broker examination to the applicant E. Butler Smith of the District of Lahaina.

UPON MOTION the Commission accepted Commissioner Wick's suggested outline of the April 26-27 meeting.

Motion passed unanimously.

SECOND LEGISLATURE

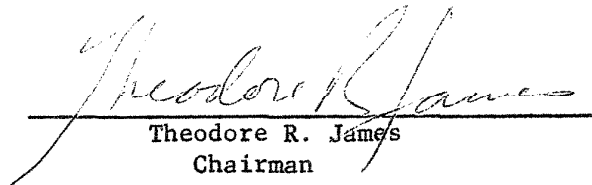
The members reviewed the many bills that had been introduced which would be of interest to either the industry or the Commission.

It was suggested that the Commission review H. B. No. 634 which amends the horizontal property regimes law and forward a memorandum to the Executive Secretary with their comments. Other bills which the Commission

will be called upon to appear on are H. B. No. 183 (S. B. 615) on splitting of fees and H. B. No. 187 (S. B. 616) on the requirement for a pre-licensing courses at university.

Date of April 26-27, 1963
Next County of Maui
Meeting:

Adjournment: There being no further business to discuss, the Chairman declared the meeting adjourned at 12:42 p.m.


Theodore R. James
Chairman

sw

4/19/63