

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

MINUTES OF MEETING

Date: Friday, April 26, 1963, and April 27, 1963 (Saturday)

Place: The Lounge, HALE MOI LODGE
Waiakoa, Maui, 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

Call to Order: The meeting was called to order by the Chairman, Mr. James, at 6:00 p.m.

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

Motion passed unanimously.

Transcripts and Records

The members discussed the importance of a proper record of their proceedings. There was agreement that in order to be adequate the records must be orderly and that a transcription of the deliberations and conclusions in a meeting should be forwarded as early as possible after the adjournment of a meeting. There was acceptance of the fact that the administrator's workload was heavy and the commissioners were of the opinion that the matter of securing stenographic help to prepare the record of the monthly meetings should be explored with Mr. Okaji, Licensing Services Manager.

UPON MOTION, the Commission ruled that the Executive Secretary confer with the administration on this problem and work for the assignment of a stenographer to Commission meetings for the purpose of recording the essential parts of the proceedings which make up the official action of the body and therefore becomes its record.

Motion passed unanimously.

Financial Report: The members reviewed the Financial Report for the REAL ESTATE COMMISSION ending March 31, 1963. Inquiry was made of the Executive Secretary on the January-March receipts. Discussion followed on what additional receipts are expected in the future.

UPON MOTION, the Commission ruled that the report is to be noted as received.

Motion passed unanimously.

Business
Out of
Minutes:

LICENSING (Sections 170-1 thru 170-14)

First Examination of 1963 - The Executive Secretary presented the roster of real estate salesman and real estate broker applicants for the March 12, 1963 examination throughout the state.

UPON MOTION, the Commission ruled that salesman applicants under the margin number 1 through 67 be found qualified in the written examination and that licenses be issued when all requirements have been met.

Motion passed unanimously.

UPON MOTION, the Commission ruled that broker applicants under the margin number 1 through 28 be found qualified in the written examination and that licenses be issued when all requirements have been met.

UPON MOTION, the Commission ruled that the Executive Secretary will confer with Broker candidate ID No. 213 on failure to compute closing statement problems in booklet and identify same. Further, the applicant is directed to write another examination under the CLOSING STATEMENT section of the March 12, 1963, test.

Motion passed unanimously.

UPON MOTION, the Commission ruled that the Executive Secretary is to administer the March 12, 1963, broker examination to Mr. E. Butler Smith, Lahaina, Maui, under conditions established by the members at an earlier meeting.

Motion passed unanimously.

PEINE v. MURPHY Hearing - The Executive Secretary reported on discussions with Deputy Attorney General Roy Takeyama on the continuance of this case. The Commission's legal officer, having been in touch with respondent's counsel, Mr. Shiro Kashiwa, has reported that he is ready to go on with this hearing on Friday, May 24, 1963.

UPON MOTION, the Commission ruled that a continuance of this formal hearing will be set for 9:00 a.m., Friday, May 24, 1963, in the Public Utilities Commission Hearing Room.

Motion passed unanimously.

Branch Office Control and Supervision - The Commission noted that this problem is to be reviewed publicly with the County of Maui licensees at tomorrow's meeting.

New Corporations, Partnerships and DBAs - The Executive Secretary reported that there were no new license applications or processings in these categories

SUBDIVISIONS (Section 170-30 thru 170-38)

MARK TWAIN ESTATES - UNIT 2. The Executive Secretary reported on a letter of April 16, 1963, from the Developer's counsel forwarding the revised and final ESCROW AGREEMENT. The administrator recommended that the registration be considered as complete.

UPON MOTION, the Commission ruled acceptance of the subdivision registration.

Motion passed unanimously.

CROWN TERRACE - TRACT 1, UNIT 1 SUBDIVISION

The Executive Secretary reported that in a previous meeting, February 19, 1963, an action by the CROWN TERRACE COMMUNITY ASSOCIATION against George Hasegawa, HEEIA DEVELOPMENT CO., was placed on the agenda for members' information. The Association on the day of this earlier meeting wrote the Commission requesting that its complaint be withdrawn. Presently before the Commission is the complaint of Mr. Ramon Duran, purchaser in this development, against Mr. Hasegawa. The complainant states the subdivider's action in placing utility poles in a subdivision where the promotional and advertising exhibits stressed "No poles or wires mar its natural landscaped beauty....." was a violation of Section 170-30 to 38, R.L.H., 1955, as amended.

After receiving the administrator's report on the background of the complaint, the position of Hawaiian Electric Co., Ltd., in regards to the temporary nature of the "up and down" utility poles in the adjoining increment to the registered subdivision and the most recent statements from the complainant and respondent, the Commission directed the Executive Secretary to investigate this matter and, if necessary, seek an expression from the Department of the Attorney General on the question of this body's jurisdiction in the complaint.

TEXAS RANCH HAWAII SUBDIVISION - The Executive Secretary reported on recent correspondence with the developers of this Brazilian offering. He noted that counsel for Basic Economy Development Corporation responded to a Commission inquiry on brokers selling this project in Hawaii but did not report specifically on licensees selling the land or on the number of Hawaii

residents who have entered into agreements to purchase lots or parcels in this subdivision.

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

REGISTRATION NO. 4 100 WELLS-KANOA BUILDING

The members agreed that as originally planned, the Commission will inspect the site of this business office building on Saturday morning, April 27.

REGISTRATION NO. 8 THE KIHEI SANDS

Mr. Kashiwa and Mr. Wick, during their field inspection of the Kihei - Makena area checked the site of this proposed condominium and noted that there was no construction to date on this property. The Commission accepted the report in lieu of a planned trip to this offering on the Saturday, April 27 program.

REGISTRATION NO. 13 2987 KALAKAUA

The Executive Secretary reported that the Developer communicated on recent changes in the By-Laws of the Council of Co-Owners. The Commission noted the changes as being minor and that it would not be necessary for the Public Report to be amended.

UPON MOTION, the Commission ruled acceptance of these changes as they were for the convenience of the purchasers and suggested by the lending institution.

Motion passed unanimously.

Recess: At approximately 7:00 p.m., the Chairman declared a recess for the evening meal.

Re-convene: The Chairman reconvened the meeting at approximately 8:30 p.m., in the dining room, JAMES' KULA LODGE, Waiakoa, Maui.

New Business: SUBDIVISIONS (Section 170-30 thru 170-38)

HAWAIIAN VILLAGE, JAPAN - The Executive Secretary reported on this registration of April 23, 1963. Project adjoining Izu National Park and Cactus Center, Ito City (Sakihara Azd Futoku Itoshi Shizuoka - Ken) Japan; 800 lots; developer is TOTAKU IZU KAIHATSU KABUSHIKI KAISHA, 3 4-Chome, Higashi, Ginza Chuo-Ku, Tokyo, Japan. Merchandising broker and agent in Hawaii is James W. Peltier, 1022 Bethel St., Honolulu 13, Hawaii.

In briefing the members, the administrator referred to Mr. Peltier's letter of April 22nd which transmitted the subdivision Registration Statement and promotional exhibits. The Executive Secretary noted that a local depository was presently working on the escrow agreement and when their counsel has completed this document it will be submitted to the Commission as part of the registration.

The Commission, in studying Mr. Peltier's communications, recognized that his agency agreement with the principals in Japan is conditioned on an inspection of the property within 4 months by the Land Commissioner of Hawaii. The members accepted the administrator's report that the developers used "Land Commissioner of Hawaii" as this was the official in Japan who functions in the same area of responsibility as the Hawaii Real Estate Commission.

UPON MOTION, the Commission ruled that the Executive Secretary is to prepare a digest of this registration, refer the file to Mr. Kashiwa who has the authority from the members to meet with Mr. Peltier and review the entire prospectus. Time being of the essence, it was further ruled that Mr. Kashiwa should meet with the developer's agent at the earliest possible date and discuss the requirements of a field inspection as well as the mechanics of arranging such project.

Motion passed unanimously.

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

REGISTRATION NO. 14 THE GREGG APARTMENTS

The Executive Secretary reported that this registration was received earlier this day and was placed on the agenda for information. The required Public Report is to be worked up.

Miscellaneous: NATIONAL ASSOCIATION OF LICENSE LAW OFFICIALS STANDARDS OF COMPETENCY

The Executive Secretary reported that he has not prepared the resolution under which the Commission will make this formal statement of principles a part of this body's deliberations and conclusions. He believed that it should be ready for the commissioners' signature at the next meeting.

NALLO OFFICERS, DIRECTORS AND EXECUTIVE COMMITTEE MEETING-

The Executive Secretary reported that on April 22nd he met with the Deputy Treasurer, Mike Tokunaga, to review the background of the Commission's plans to hold its April meeting on Maui. At this same conference, with administrative services personnel present, the administrator reviewed changes

in the Commission's out-of-state travel proposals. He specifically noted that the members were in full agreement with a proposed change to have the Executive Secretary attend the NALLO Board of Directors meeting in Wichita, foregoing his planned attendance at the NALLO Western District meeting in Boise. It was understood that the necessary travel request would be submitted and the Department would explore how such a deviation from the Boards and Commissions travel budget plans could be adjusted so as to not throw the respective programs out of balance.

The members re-emphasized that it was important for the administrator to attend the NALLO Spring Meeting as an elected Director. In reviewing the problem and pinpointing possible solutions, the members noted that the responsibility of submitting paperwork to the Department early enough for appropriate action rested with the Executive Secretary. In matters such as out-of-state travel requests, where other departments must review the transaction, it is particularly important that there be sufficient time for other agencies to act.

The Executive Secretary noted that there are operational commitments which often prevent him from giving appropriate attention to the paperwork management responsibilities identified with a real estate commission. He was of the opinion that a continual re-appraisal of his workload and the services rendered can result in an improvement to the internal functioning of the Commission's office.

The Commission advised the administrator that the necessary correspondence on his attendance at the May 17-18 meeting in Wichita be submitted upon return to Honolulu.

1963 NALLO WESTERN DISTRICT MEETING

The Executive Secretary reported that this item was also discussed with Mr. Tokunaga. The question of shifting funds from an already approved out-of-state travel request to another location, that is from the programmed destination of Salt Lake City to Boise was reviewed, did not appear to be insurmountable.

The administrator noted that in establishing the out-of-state travel program early in 1962, he estimated that the Commission's nominee to the regional meeting would be Mr. Jack K. Palk and the destination was set as Utah. Subsequently, the district Vice President called the meeting for Boise, Idaho, on the date June 6-7, 1963. This change in site represents a slight savings in the expenditure for Mr. Palk's travel.

SECOND LEGISLATURE OF THE STATE OF HAWAII

Mr. Palk reported on the three primary bills that the Commission was interested in.

CONDOMINIUM - S.B. NO. 497, H.B. NO. 634

It is believed that the amendments to PART I, II, and III of the Horizontal Property Act will be accepted by both Houses and signed into law by the Governor.

As this was the most important piece of legislation introduced as far as the Commission was concerned, Mr. Palk reported that it was on this measure that he elected to spend most of his time in preparing memoranda, making appearances before committee and such other legislative demands on time.

SPLITTING FEES - S.B. 615, S.B. 267, H.B. 183

Mr. Palk stated that this appeared to be an acceptable proposal to the members of the Legislature and in his meetings with committees he could not see any obstacles in the path of this amendment to Chapter 170. He noted that Mr. Buzzy Okazaki, Legislative Committee Chairman, HONOLULU BOARD OF REALTORS, had conducted an excellent campaign to solicit the legislators' support of this change in the licensing law.

The Commission, UPON MOTION, ruled that Mr. Okazaki should be commended for his splendid work not only on the splitting of fees proposal but also on his stand on the need for a pre-licensing course at the University of Hawaii. The Executive Secretary was to prepare and forward the appropriate letter.

PRE-LICENSING COURSE - S.B. 616, H.B. 187

Mr. Palk noted that Mr. Okazaki had presented a very fine paper defining the BOARD's position on the need for this requirement in order to up grade the practice of real estate. It was noted, however, that early in the committee hearings, opposition to this proposal stiffened and some legislators thought it was too restrictive in its language. The Executive Secretary reported that in his appearance before the Senate Judiciary Committee on S.B. 616, some Senators were of the opinion that the Commission has the authority to make the pre-licensing course a requirement without amending the licensing statute.

The members thanked Mr. Palk for monitoring the essential legislative proposals that came out of both Houses and were of the opinion that the Commission had adequate representation at the appropriate committee hearings.

PUBLIC HEARING ON RULES & REGULATIONS

Mr. Wick reported on the preparation for the following day's work. The public meeting with County of Maui licensees to discuss changes to the

regulations was set as 9:30 a.m., at the WAILUKU HOTEL.

The Executive Secretary reported on his discussions with the HONOLULU BOARD OF REALTORS on the joint meeting at which changes and revisions to the rules will be aired. Although it was tentatively considered to hold the Public Hearing on Friday, May 24, 1963, it was felt this would make the next meeting's agenda too cumbersome.

UPON MOTION, the Commission changed the date of the Public Hearing to coincide with the BOARD's monthly membership meeting in June at the ALA MOANA BANQUET HALL. The third week of June was to be explored as a satisfactory time for all parties concerned.

Motion passed unanimously.

ADMINISTRATIVE PROCEDURES AND POLICY DISCUSSION

In reviewing the discussion on such agenda items as the proper recording of Commission minutes, the need for the Executive Secretary to expedite departmental paperwork the policy of the Board in attending meetings of NALLO, the Chairman in his summary emphasized the importance of meetings in the field with licensees. Considering the provincial arrangement of our Islands, Chairman James stated that in order for the commissioners to make good decisions and formulate intelligent programs it is necessary for the members, as a body, to go out into the state and meet with licensees, public officials and other interested groups. He concluded that such a project was extremely worthwhile and permitted the commissioners to observe at first hand the problems of the industry on the Island of Maui.

Date of
Next
Meeting:

The continuance of the PEINE v. MURPHY hearing was established as the next meeting date: Friday, May 24, 1963, at 9:00 a.m., Public Utilities Commission Hearing Room.

Adjourn-
ment:

At 10:15 p.m., the Chairman declared the meeting adjourned. The Commission to re-assemble tomorrow, Saturday, April 27, in a public meeting at the WAILUKU HOTEL, 2180 Main Street, Wailuku, Maui.

APPROVED: Date 5/15/63

Theodore R. James
Theodore R. James
Chairman

Robt E. Bekeart

Robt E. Bekeart, Executive Secretary

REB/bc 5/15/63