

REAL ESTATE COMMISSION
Professional & Vocational Licensing Division
Department of Regulatory Agencies
State of Hawaii

MINUTES OF MEETING

Date: Wednesday, December 18, 1963 and Thursday, December 19, 1963

Place: THE TEA ROOM, COCO PALMS RESORT
Wailua, Kauai, Hawaii

Present: Dorothy S. Ahrens Erling P. Wick
William A. Beard Roy Y. Takeyama, Deputy Attorney General
Yukio Kashiwa Robt E. Bekeart, Executive Secretary
Jack K. Palk

By Invitation: Joaquin Rapozo and Masatoshi Nonaka
Investigators in County of Kauai

Call to Order: The meeting was called to order by the Acting Chairman, Mr. Palk at 1:50 P.M.

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

Under Business Out of Minutes it was noted that the Executive Secretary was directed to forward the HARNEY COUNTY LAND DEVELOPMENT CORPORATION file to Deputy Attorney General Takeyama for his review.

UPON MOTION the Commission approved the minutes of November 27, 1963 meeting with the above correction.

Motion passed unanimously.

Financial Report: The members noted the Financial Report for the REAL ESTATE COMMISSION for the month ending November 30, 1963 as received.

Business Out of Minutes: LICENSING (Sections 170-1 through 170-14)

EDWARD F. PEINE vs PATRICK M. MURPHY - The Executive Secretary reported that the Commission's decision of November 27, 1963 in this matter had been forwarded to all parties concerned. The requirement of the Hawaii Administrative Procedures Act had been complied with.

It was noted that an appeal from the decision of the Commission had been filed.

Deputy Attorney General Takeyama reported on the status of the appeal. The Commission agreed that counsel should represent this body at the December 19 hearing and it was felt that the matter of staying the appeal should be left to the discretion of the Court.

The commissioners deliberated on future actions that would be encountered.

It was agreed that the Commission should not acquiesce and the Deputy Attorney General Takeyama assured the members that he would make the Commission's case in the Circuit Court.

UPON MOTION the Commission ruled that upon receipt of the Court's order, assuming that the judge rules in favor of the respondent, the Executive Secretary be instructed to return the broker certificate and license identification card to Patrick M. Murphy and that the Deputy Attorney General be advised of such a development.

Motion passed unanimously.

SUBDIVISIONS (Sections 170-30 through 170-38)

LAST CHANCE RANCH - The Executive Secretary noted that the subdivider had been advised that the Commission was awaiting an answer to its inquiry as whether the California Real Estate Commissioner had issued a preliminary public report and permit after the September 20, 1963 date on which new subdivision regulations became effective.

The members agreed that upon receipt of the subdivider's answer to the inquiry of December 17, 1963, the matter should be accepted on the basis of all avenues of examination of the project had been explored and the public's interest had been protected.

KLAMATH FOREST ESTATE SUBDIVISION - The Executive Secretary reported that on December 5, 1963 the subdivider was advised that the Commission had accepted his registration on 1,500 lots in this subdivision. The project receiving acceptance was identified as the Sprague River Unit and does not include other tracts, units, or parcels in the KLAMATH FALLS FOREST ESTATES undertakings in Klamath County, Oregon.

UPON MOTION the Commission ruled confirmation of the administrative officer's action of accepting this subdivision.

Motion passed unanimously.

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

REGISTRATION NO. 22 - ILIKAI APARTMENT BUILDING. The Executive Secretary reported that a Final Public Report on this project had been issued December 12, 1963. The total condominium project is comprised of 1,001 apartments, 10 penthouses, 2 levels of garage area and 2 floors of commercial areas in the building. Approximately 497 apartments and 10 penthouses are to be sold, while, ILIKAI INCORPORATED will purchase approximately 504 apartments for hotel purposes.

The administrative officer noted that it is quite possible that the Developer will be presenting additional information and amendatory reports will have to issue.

REGISTRATION NO. 24 - PRINCE KUHIO. The Executive Secretary reported that after the commissioners make a field inspection of this Koloa site and existing buildings, a Final Public Report can issue on the members' findings.

New
Business:

LICENSING (Sections 170-1 through 170-14)

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

October 1963 Examination - The Commission noted the appeal of Antonio M. Cabading on his score in the October 15, 1963 test. The administrative officer pointed out that the applicant failed to follow instructions in the key-word section and this resulted in his attaining low scores. The applicant is to be advised that his failure to qualify stands in the record.

SUBDIVISIONS (Sections 170-30 through 170-38)

HAWAIIAN VILLAGE JAPAN - The Commission accepted the subdivision on this registration noting that a "Certificate of Land Sale" had been submitted and that certain municipal requirements had been met to the satisfaction of the City of Ito authorities. The Developer, through the local selling broker, had also introduced pictures showing the status of the road network in this subdivision. Mr. Kashiwa identified the area and improvements for the members noting that he had inspected this portion of the development during his May 1963 field trip.

The acceptance is for a subdivision of 800 lots, located at No. 1317 Futo-aza-Sakihara, Ito City, Shizuoka Prefecture, Japan; Developer - Totaku Izu Kaihatsu K.K., 4-3 Ginza Higashi Chuo-Ku, Tokyo, Japan.

MISCELLANEOUS - The Executive Secretary reported that the Division Administrator, Mr. Okaji, has been studying the fee schedule of Boards and Commissions. It could be expected that the results of this study, showing income received from each board or commission, may have correlation to the amount of expenses entailed in administratively supporting each regulating body. The Division, under a time table formula will prepare a report for the Director making recommendations for revisions to fees charged.

The Acting Chairman does not feel that it is appropriate to discuss this at the Kauai meeting as there is not enough information assembled to give the members an insight on how present fees are expended, nor do the commissioners feel that the promised economies have materialized.

The Commission went on record suggesting that the question of preparing the budget be made a matter of study and review by the membership, that the Acting Chairman confer with division staff and seek an accurate breakdown on the expenditures made on behalf of the Commission.

Mr. Palk agreed, with the Budget Session convening February 19, 1964, to work up a memorandum on the Commission's requirements for 1964-65. The Executive Secretary was instructed to assemble information and statistics that would assist the Acting Chairman in his presentation.

Inquiry was made on what representation the Commission will have at the spring NALLO Western District meeting scheduled for Portland, Oregon. Mr. Beard noted that he felt attendance at regional conferences was not only informative but there was the opportunity to discuss law enforcement matters with geographical associates who had problems similar to Hawaii.

The Executive Secretary reported that the 1964-65 Commission travel proposal included one person to attend a regional meeting (tentatively identified as in Utah) and two representatives to attend the 1964 NALLO Conference in Los Angeles. He noted further that these travel figures were undergoing intensive study by the Department in consort with the Department of Budget and Review.

HARNEY COUNTY LAND DEVELOPMENT CORPORATION - The Executive Secretary reviewed the file from the initial registration of June 29, 1962 up to and including the present case of the United States versus the subdivider in the Federal Court for the District of Oregon. The commissioners penetrated the conditions under which the registration was accepted during the absence of the Executive Secretary, the subsequent reports from out-of-state law enforcement officials that the people behind the development were questionable and in summary agreed that it was the responsibility of the Commission's administrative office solely to act on sensitive offerings that were under scrutiny by the cooperating law enforcement authorities. Further it was agreed that the Chairman or Acting Chairman as the case may be should be consulted when highly suspect land offerings are before the Commission.

The Executive Secretary was instructed to check with U. S. Postal Inspector Kyle Stall for a report on the current status of this case: United States v. Abraham Koolish, et al, USDC Oregon, Criminal No. CR 63-186.

It is the intention of the Commission that an administrative notice will be given the subdivider that the Hawaii authorities have knowledge of the pending mail fraud prosecution and suggesting that any merchandising campaign conducted in this jurisdiction should be suspended pending the outcome of the trial before the Federal Court. The letter to the subdivider would be one that would solicit his cooperation and the appropriate legal action available to the Commission could be recited.

Acting Chairman's Letter to Governor - Mr. Palk briefed the members on his proposed letter to the administration pinpointing the fact that two vacancies have existed on the Commission for over a year and that on December 31, 1963 the commissions of Mr. Kashiwa and Mr. Wick expire. The Acting Chairman stated that he intended to advise the Governor on the necessity of a full membership on the

Commission in order to handle existing responsibilities of reviewing proposed changes to rules and regulations, administration and enforcement of subdivision and condominium statutes in addition to routine licensing problems.

UPON MOTION the Commission ruled that the Acting Chairman should address the Governor in this manner and that every effort should be made to resolve this question of appointments to this regulatory body.

Motion passed unanimously.

Recess: At 3:45 P.M., the Acting Chairman declared the meeting recessed. It was agreed that the Commission would re-assemble at 8:00 P.M. to start deliberations on the latest draft of proposed changes to the rules and regulations.

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Re-convene: At 8:30 P.M., the Acting Chairman called the meeting back into session in Room 255, COCO PALMS RESORT.

The Commission reviewed the proposed changes to the rules and regulations. The Deputy Attorney General Takeyama served as legal counsel to the membership during this phase of the meeting.

Recess: At 12:00 midnight, the Acting Chairman declared the meeting recessed. He suggested that the commissioners reconvene at 8:30 A.M., Thursday, with the public and interested licensees in attendance.

Re-convene: At 8:30 A.M., Thursday, December 19, 1963 the Acting Chairman reconvened the meeting. In addition to the Commission, its counsel, administrative staff and investigators, the following licensees were present by invitation:

Clinton I. Shiraishi	RPB Kauai Resorts Development, Inc.
Bonnie C. Dunford	Salesman " " "
Takeo Yoneji	Salesman " " "
Tomi Yutaka	Salesman Dorothy S. Ahrens
Irving Jenkins	Salesman John D. Texeira

The Acting Chairman stated to the assembled licensees that it was the purpose of the Commission to come out into the field and meet with brokers and salesmen to hear their comments on the administration of the real estate statutes and regulations. The question of salesmen operating in a county, away from the official place of business maintained by their employing broker was discussed.

The Commission was in full agreement that this would not be permitted as it is a violation of Rule 6 of the Rules and Regulations. The Executive Secretary was instructed to probe this matter, determine what licensees are operating in violation and notify all parties concerned that this practice must cease. It was suggested that this be made part of the screening process during the renewal project and

all employing brokers involved are to be notified at once of the Commission's action.

Mr. Shiraishi posed the question of whether Kauai brokers would be in violation of any statute or regulation if in their advertisements they held themselves out to the public as "Licensed and Bonded Brokers." The Commission took this question under advisement.

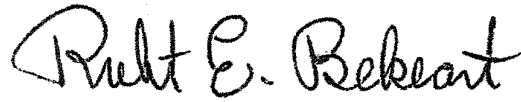
The public meeting with the licensees, at which copies of the proposed changes to the Commission's rules and regulations, along with the licensing act, the condominium and subdivision laws were distributed, was concluded at approximately 10:45 A.M.

Date of
Next
Meeting:

The Commission agreed that with the Budget Session convening shortly, the meetings of January, February and March 1964 should be held in the City and County of Honolulu preferably on the third Tuesday of each month.

Adjourn-
ment:

There being no further business, the meeting adjourned at 11:00 A.M.



ROBT E. BEKEART
Executive Secretary

Approved by the Commission:

Date 1/21/64


Jack K. Palk, Acting Chairman

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1/21/64