

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

MINUTES OF MEETING

Date: Tuesday, May 19, 1964

Place: Conference Room No. 1, 313 South Beretania Street, Honolulu, Hawaii

Present: Mr. William A. Beard            Mr. Douglas R. Sodetani  
Mr. Yukio Kashiwa            Mr. Robt E. Bekeart, Executive Secretary  
Mr. Jack K. Palk

The Acting Chairman introduced the new representative on the Commission from the County of Maui, Mr. Sodetani, and instructed the Executive Secretary to so note in the proceedings.

Present by invitation:

Mrs. Mary V. Savio, representing Honolulu Board of Realtors  
Mr. Wesley F. Charlton, representing Hawaii Real Estate Association

Absent: The Acting Chairman noted for the record that Mrs. Dorothy S. Ahrens called to report slight illness and is excused.

Call to Order: There being a quorum the Acting Chairman, Mr. Palk, called the meeting to order at 10:05 A.M.

Minutes: UPON MOTION, the minutes of the April 28, 1964 meeting in the City and County of Honolulu were approved.

Motion carried unanimously.

Financial Report: In presenting the Financial Report for the Real Estate Commission for the period ending April 30, 1964, the Executive Secretary noted that a surplus would appear against each quarterly allotment if the commissioners did not submit the required Statement of Inter-Island Travel Completed. It was suggested that the members enter such expenses as amounts paid for room and board, cab fares or other transportation charges and such other items as are allowable.

The Commission noted the report as received.

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

RULES AND REGULATIONS - The Executive Secretary reported that the Rules and Regulations adopted March 31, 1964 had been signed by the Acting Chairman and were presently being routed to the Governor for his approval by way of the Director, Regulatory Agencies and the Attorney General.

MARCH 24, 1964 EXAMINATIONS - The letters of appeal from salesman applicants Harold H.M. Chang, Leimomi Cockett and Franklin F. Herman were considered by the Commission.

The Executive Secretary reported that a check had been made of the subject applicants performance and the scoring was correct.

UPON MOTION, the Commission ruled that the action of the previous meeting stand, and that the scores after rechecking are found to be accurate. Further, a letter be sent to each of the three appellants notifying them of this action.

Motion carried unanimously.

SUBDIVISIONS (Section 170-30 through 170-38)

RECORD OF SURVEY NO. 10140 SUBDIVISION - For the members' interest and information, the Executive Secretary stated that notice had been given the California subdivider that the Subdivision Registration Statement filed on this project was not acceptable and that answers to seven questions on the Commission's statement would have to be completed to the members' satisfaction. It was also noted that Mr. H. E. Edwards representing the merchandising apparatus The Antell Company, Studio City, California, had been in the city for three or four days but did not visit nor contact the Commission office.

EDEN ROC ESTATES SUBDIVISION - The members studied a reproduction of the April 30, 1964 Hawaii Planning and Traffic Commission letter to the Real Estate Commission in which Mr. Edgar A. Hamasu, Director, noted the conditions that had to be met by the subdivider in his negotiations to seek preliminary approval of the subject development. As the municipal agency was soliciting the advice or opinion of the Commission on promotional and advertising material submitted by the subdivider it was agreed that Mr. Palk would work with the Executive Secretary on a proper reply to the County of Hawaii authorities.

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

REGISTRATION NO. 17 - THE GOVERNOR CLEGHORN - The Commission noted that a Supplementary Horizontal Property Regimes (Condominium) Public Report had been published May 14, 1964.

REGISTRATION NO. 33 - NAOE APARTMENTS - The Executive Secretary reported that the public report on this condominium was in the process of being written up and it would be presented to the Acting Chairman for his signature within the next few days.

New  
Business:

LICENSING

NEW CORPORATIONS, PARTNERSHIPS AND DBAs

UPON MOTION, the Commission ruled that the licenses tentatively authorized by the Executive Secretary for the

Corporation

ILCOL IMPORTS, INC. dba ILCOL REAL ESTATE Jane Budd, RPB

be issued.

There were no partnership or dba transactions.

The Executive Secretary reported that the letter announcing the results of the March 24 examination had been sent out April 17. Since that date 11 broker certificates and 42 salesman certificates have been issued.

SUBDIVISIONS

UPON MOTION, the Commission accepted the registration on the following projects:

FOSTER VILLAGE UNIT 3 SUBDIVISION - Halawa, Ewa, City and County of Honolulu, Hawaii, 31 lots; developer - Town Investment, Ltd. (James Philip Ing); selling broker - Bishop Realty, Inc.

FOSTER VILLAGE UNIT 9 SUBDIVISION - Halawa, Ewa, City and County of Honolulu, Hawaii, 46 lots; developer - Town Investment, Ltd. (James Philip Ing); selling broker - Bishop Realty, Inc.

Motion carried unanimously.

CONDOMINIUM

REGISTRATION NO. 7 - HAWAII KAI CONDOMINIUM PROJECT - Maunaloa, City and County of Honolulu, Hawaii; 3 dwellings (three buildings); developer - Kaiser Hawaii-Kai Development Company; selling broker - Kaiser Hawaii-Kai Development Company and Kaiser Realty (Frank Yamamoto).

The Executive Secretary noted that the request was for a Final Public Report on Lot 3, File Plan 301. He showed that this was on a project that had originally been accepted as REGISTRATION NO. 7 in July 1962 and a Preliminary Report was published.

The commissioners were of the opinion that this procedure of reporting separate lots under a single registration was unworkable. The Executive Secretary is to instruct the Developer that the requirement hereafter would be for a separate filing on each lot where there are multi-buildings offered as condominiums.

This project is to be identified as REGISTRATION NO. 34.

UNASSIGNED REGISTRATION - DIAMOND HEAD GARDENS - a conversion of an existing rental income apartment project at 3002 Pualei Circle, Waikiki, City and County of Honolulu, Hawaii; 42 apartments; developer - Condominium Hawaii, Inc. (Edwin K. Q. Yee); selling broker - none.

Miscellaneous: REAL PROPERTY LOAN BROKER OPERATIONS

The commissioners reviewed the progress made in assembling information on how various real estate loan brokerage enterprises are conducting their affairs which are not subject to control or regulation under any existing licensing statute. An oral report was made on the growing turbulence in one of the offices where the Commission is receiving information copies of letters of allegations and cross-allegations. The Executive Secretary noted that feeling this problem was of serious proportions he advised the Department of the Attorney General and in conference gave the Acting Chairman a briefing on all developments.

The Commission instructed the Executive Secretary to continue the study of present real property loan brokerage firms with the objective of laying groundwork for introduction of legislation to regulate the practices now under investigation.

COMMISSION ACTIVITIES JULY 1964 - JUNE 1965

At the request of Mrs. Hannah Furuta, the members projected their activities for the ensuing fiscal year. It was noted that the Commission has \$1,712 in its budget for the expenses involved in holding monthly meetings commencing July 1, 1964 through June 30, 1965. Further the sum of \$340 has been allocated for one representative to attend the Annual NALLO Conference in Los Angeles this fall.

The commissioners discussed the benefit to neighboring island licensees of conducting one meeting a year in each of the counties of Hawaii, Kauai and Maui. There was full agreement that this practice should continue in addition to holding nine monthly meetings in the City and County of Honolulu.

The Executive Secretary was instructed to prepare a budget program which would show (1) the cost of holding nine Oahu meetings and three neighboring island meetings involving the expenses of the present five-member Commission, and (2) the cost of holding nine Oahu meetings and three neighboring island meetings involving the expenses of the Commission when it is at full, legal strength with seven members.

The members were of the opinion that funds could be found for continuing the program of meetings as followed in the past year. Mr. Sodeani proposed that inasmuch as there appears to be a balance remaining for the month of June that an effort should be made to ask the Department to adjust the Commission's program to permit a meeting in the County of Maui on June 19, 1964. The members then proposed tentative meeting dates of November, 1964 in the County of Hawaii and March or April 1965 in the County of Kauai. The remaining meetings would be held in City and County of Honolulu during fiscal 1965. The Executive Secretary was instructed to make the Commission's proposal known to Mr. Okaji, Licensing Administrator.

MRS. PEARL K. NAM vs MR. WILLIAM H. FURTADO

The Acting Chairman declared that the Commission would take this matter under study in executive session. Mr. Charlton and Mrs. Savio were excused.

The investigation report of May 7, 1964 was reviewed by the Commission. On request the Executive Secretary presented the investigation file of exhibits, documents, letter of complaint and the letter from the respondent's counsel.

Upon resumption of the regular meeting, it was moved and seconded that a letter be sent to the broker's attorney advising that on the face of the complaint, and supporting exhibits under examination, there appears to be a violation of Section 170-12, subparagraph (b). However, in viewing the proposed settlement made by the parties, the Commission feels that the interest of the public would be best served by approving the complainant's request to withdraw the complaint with the express understanding that the matter shall be reopened by the Commission if the agreed to settlement is not carried out by the parties.

Motion carried unanimously.

Recess: The Acting Chairman declared a recess for the noon meal at 12:10 P.M.

Reconvened: The Acting Chairman reconvened the meeting at 1:15 P.M. Mr. Charlton and Mrs. Savio were present.

Miscellaneous: REVISION TO SUBDIVISION REGISTRATION STATEMENT - RECO FORM 27

The Acting Chairman laid the groundwork on the Commission's short supply of forms and the need to update this disclosure document to provide more accurate and complete information in the administration of the Subdivision Law. The Executive Secretary presented a draft of the proposed revision to the present form and each item was shown in relation to the Commission's objective of assembling as much information as possible for the benefit of the public who may want to examine the registration before purchasing or after he has bought.

The section, titled ESCROW DEPOSITORY OR CLIENTS' ACCOUNT, held the attention of the members as every effort was explored on how the purchaser's monies could be best protected within the requirements of the statute.

The Executive Secretary was directed to prepare a draft of the revised form so as to permit the members to make any comments or changes before the material is printed.

REVISION TO HORIZONTAL PROPERTY (CONDOMINIUM) REGIMES QUESTIONNAIRE - RECO FORM 26

The Executive Secretary reported that we had been out of these forms and the proposal is to revise them along the lines of the new

Subdivision Registration Statement. The format is to be the front and reverse side of a single sheet with information on the present questionnaire arranged, in smaller type, for ease of completion by the Developer.

The draft of this form is to be submitted to the commissioners before it goes to the printers.

GOVERNOR'S MEMORANDUM ON APPROPRIATION AND LICENSE FEE BILLS

The Acting Chairman reviewed the subject memo of May 7, 1964 and noted that the Commission should revive its study of an earlier Departmental proposal to increase fees within the limits authorized under Senate Bill 275.

The Executive Secretary was instructed to proceed on the Commission's original plan of examining the proposed fee increases and submit a memorandum for the Commission to discuss at the next meeting. The Acting Chairman noted that the Governor's memorandum suggests immediate steps be taken in order to have all actions effective July 1, 1964.

HAWAIIAN PARKS, INC. and HAWAIIAN BEACHES, INC.

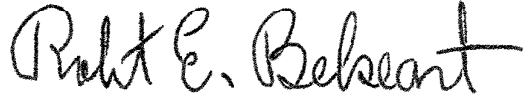
The Commission studied the East Hawaii Investigator's report of May 14, 1964 presenting the problem of a person offering subdivision lots for sale under a power of attorney given by an official of the two subject land development organizations.

The question of whether a corporation can give power of attorney to an individual and whether the Commission can enjoin HAWAIIAN PARKS, INC. AND HAWAIIAN BEACHES, INC. from continuing this operation will be referred to the Department of the Attorney General for an opinion. Further, if the opinion is in the affirmative, what legal steps should be taken to curb this practice.

Date of Next Meeting:

The proposal advanced by Mr. Sodehani is contingent upon the Department approving the Commission's suggested plan of holding the next meeting in the County of Maui. Commissioners would depart their respective counties on Friday, June 19, in mid-morning. A no-host luncheon meeting would be held with Maui licensees, financial agents, developers and government officials upon arrival at Kahului. Afternoon would be devoted to Commission affairs, followed by a field inspection of developments en route to West Maui. Remain overnight at Lahaina, conduct field inspections of subdivision and condominium projects registered or to be registered before Commission. Conclude the agenda at 12:00 noon and return to respective islands on Saturday, June 20, 1964.

Adjournment: There being no further business, the Acting Chairman declared the meeting adjourned at 2:45 P.M.



---

ROBT E. BEKEART  
Executive Secretary

APPROVED BY THE COMMISSION:

Date June 22, 1964

---

JACK K. PALK, Acting Chairman

REB:va  
May 27, 1964