

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

MINUTES OF MEETING

Date: Friday, July 16, 1965

Place: Public Utilities Commission Hearings Room
1225 Miller Street, Honolulu, Hawaii

Present: Jack K. Palk, Chairman (Oahu) Harold J. Silva (Oahu)
Yukio Kashiwa, Vice Chairman (Oahu) Douglas R. Sodehani (Maui)
William A. Beard (Hawaii) William H. C. Young (Oahu)
Robt E. Bekeart, Executive Secretary

By Invitation:

Wesley F. Charlton, representing Hawaii Real Estate Association
Shirley B. Olds, representing Honolulu Board of Realtors

Absent: Dorothy S. Ahrens (Kauai)

Having notified the Executive Secretary in writing Mrs. Ahrens
is recorded as excused.

Call to Order: There being a quorum the Chairman, Mr. Palk, called the meeting
to order at 2:00 p.m.

Minutes: UPON MOTION the Commission approved the minutes of Friday,
June 25, 1965 as circulated.

Motion passed unanimously.

Financial Report: Financial report for month ending June 30, 1965 was not available
to the agenda.

Business Out of Minutes: LICENSING (Sec. 170-1 through 170-14)
JUNE 22, 1965 EXAMINATIONS

The Executive Secretary presented EXHIBIT "A" which showed
the ranking of the fifty-eight (58) candidates for a real
estate broker license.

UPON MOTION, the Commission ruled that the following applicants
for real estate broker license were found qualified in the
June 22, 1965 written examination:

<u>I.D. No.</u>	<u>Name</u>
516	ABBOTT, Albert J.
518	ALCON, Emilio S.
559	ASHLEY, Helen L.
539	BOYDEN, J. Stephen
515	BRITTAIN, James H.
529	BURBANK, Barbara G.
528	CADWELL, Raymond C.
561	CHING, Willard C. S.
553	COLE, Winnie L.
548	FLOYD, Mary I.
535	FUNK, Lowell D.
550	HARA, Tadayoshi
520	HAUTALA, Genevieve
551	HIEDA, Henry H.
545	KAAIAI, Joan A.
566	KALAIWAA, George P.
522	KANAHELE, Daniel K.
538	LUM, Caroline M.
523	McRAE, Louis L.
508	MEMORY, Eileen
540	MEYERS, Florence
563	ODA, Fumio
558	OKUMOTO, Steven K.
521	ROBINSON, Charles E. K.
567	SETO, Frank W. S.
513	WINNAGLE, Homer
533	YEE, Patricia Au
507	YOKOUCHI, Masaru
519	YOUNG, Roger
536	ZANE, Frederick A.

Motion passed unanimously.

The Executive Secretary presented EXHIBIT "B" which showed the ranking of four hundred and two (402) candidates for a real estate salesman license.

UPON MOTION the Commission ruled that the following applicants for real estate salesman license were found qualified in the June 22, 1965 written examination:

<u>I.D. No.</u>	<u>Name</u>	<u>I.D. No.</u>	<u>Name</u>
175	AGUSTIN, Vicente B.	197	AULD, Edwin P., Jr.
58	AKAMUHOU-DIAS, Gloria	193	AUSTIN, James W.
80	ALEXANDER, Howell B.	198	AWANA, Harry M. Y., Jr.
191	ALEXANDER, U. S.	2	BAKER, Rita L.
142	ANDERSON, Ramona	190	BAUTISTA, Ernesto
228	APANA, Andrew R.	41	BAY, Milton G.
207	ASAM, Gerald M.	31	BENNETT, Dennis A.
146	ASARI, Robert S.	326	BIRD, John P.
151	ASING, Irene A.	147	BOWMAN, Alfred W.
122	AU, Harold K. U.	81	BOYD, Marjorie M.

<u>I.D. No.</u>	<u>Name</u>	<u>I.D. No.</u>	<u>Name</u>
34	BOYLES, Buddy D.	136	KALEO, James H.
116	BROWN, John D.	240	KAM, Ada M. L.
76	CABICO, Lino R.	96	KANDA, Helen A.
134	CAMERON, Reginald K.	178	KANESHIRO, Susumu
148	CAMPBELL, Solon V.	67	KAYA, Satoru
71	CASTANEDA, Irene	140	KESTER, Lucille E.
42	CASTILLO, Betsy A.	184	KIM, James C. N.
44	CASTILLO, Edward P.	200	KIMURA, Stanley Y.
115	CHANG, Clifford S.	105	KIRKPATRICK, William M.
165	CHANG, Leslie K. W.	141	KNUDSEN, Nancy A.
169	CHANG-TUNG, Ernest	118	KNUTSON, Donald T.
203	CHEE, William S.	202	KOMU, John T.
102	CHUN, Albert	175	KONG, Ramona L.
35	COOKE, Joseph P., Jr.	60	KONG, Wing Chow
214	COX, Cathryn G.	66	LAMON, Virginia K.
154	CULBERT, Iola J.	143	LANG, Bertrand A., Jr.
196	DANG, Paul K. Y.	70	LAWRENCE, James T.
69	DICK, Herman G.	36	LEAR, Robert E.
23	DOHERTY, John S.	128	LEE, Koon Wah
157	EARLE, Dorothy A.	130	LEE, Timmy S.
199	EKHAMMER, Benet	49	LEW, Kauai E.
75	ESTEBAN, Alfredo P.	126	LIM, Edward L.
32	FARR, Mervin E.	63	LIU, Walter H. S., Jr.
74	FENNIMORE, Roy A.	155	LOCKE, Frederick G.
110	FERREIRA, Marilyn C.	89	LOWE, Juanita E.
159	FORD, Virginia L.	173	LUM, Wilfred W. C.
168	FUJIMOTO, Berg H.	158	LUXTON, Shirley J.
176	FUJIMOTO, Charles T.	322	MADEIRA, Isabella
137	FUJIWARA, Yoshimi	350	MANHAN, Albert R.
95	FUKUDA, David H.	244	MATSUDA, Shigenobu
83	FUNG, Norman	384	MATZINGER, Marie
59	GOLDSMITH, Fredericka H.	394	MCCABE, Ralph T.
195	GREENE, Burton A.	420	MCGUIRE, Theresa
3	GROVES, George W., Jr.	355	MCINNIS, Marilyn
39	HAGLUND, Patricia W.	347	MCNAMARA, Candida
235	HALLIDAY, John W.	273	MESA, Raymond V.
46	HAMASU, Edgar A.	277	MIYAMOTO, Ivan H.
104	HANDLEY, Arthur L., Jr.	412	MIYATAKI, Jerry
164	HAYASE, Walter S.	286	MIDDLETON, Persis B.
40	HEE, Jean S.	336	MIDDLETON, Wayne L.
167	HELENIHI, Barbara J.	363	MIGITA, Sueto
33	HENSLEE, Eloise N.	268	MILES, Stanley O.
174	HONG, Soon L. K.	421	MIZUNO, Henry H.
209	IHA, Fred S.	331	MIYAMURA, Masao
121	INGMAN, Velma W.	317	MIYASATO, Wilma N.
91	ISHIDA, Stanley	401	NAGAMINE, James M.
231	JENKINS, James	315	NAGO, Eishin
52	JANNEY, Mary Louise M.	423	NISHIMURA, James T.
50	JANNEY, Walter C.	318	OATO, Sachio
64	JOHNSON, Sylvia B.	249	OKUMURA, Kinzo
160	JONICK, Theodore J.	333	ONOUYE, Kiyoshi
144	KAAINA, Florence E.	37	PERRY, Robert C.
48	KAIDA, Alice I.	353	PICO, Thomas M.

<u>I.D. No.</u>	<u>Name</u>	<u>I.D. No.</u>	<u>Name</u>
259	POWELL, Charles L.	177	THRESHER, Verna M.
332	RACELO, Damaso C.	413	TOM, Hing Y.
418	REEVES, William P., Jr.	342	TASATO, Tomoichi
215	RETFERFORD, Sharron L.	297	TOYAMA, Francis Y.
386	RACUYA, Primo	290	TOYAMA, Stanley I.
270	RAZOR, Frances V.	256	TREMPER, Theodore
408	RIBOROZO, Remedios Z.	368	UECHI, Kazuo
266	RICE, Cecelia B.	372	USHIRODA, Walter H.
415	SADLER, Nancy	343	UYETAKE, Heigi
295	SAKAGUCHI, Melvyn K.	405	VARDE, Raymond
283	SAKAMOTO, Herbert I.	300	WAGATSUMA, Guy I.
371	SARINO, William	376	WALKER, Dorothy H.
362	SHIMOZONO, James A.	216	WALKER, Shandra
258	SMITH, Bethelene G.	374	WALKER, Wendell A.
247	SOTOMURA, Joseph Y.	310	WASHBURN, Frank L.
354	SOTOMURA, Jutaro	301	WATANABE, Howard T.
359	SPENCER, Peggie R.	303	WEIBLE, Marjorie L.
373	SPIELMAN, Joseph A.	302	WEIBLE, Robert C.
335	STANSKY, Patty-Jo	397	WHITON, James H.
396	STANTON, Stanley S.	321	WICKWARE, Godfrey V.
272	STEVENS, E. Leigh	414	WINBER, Mook Lan Lo
417	STEVENS, Jessie Joy	319	WONG, Alfred T. C.
313	STEWART, Robert C., Jr.	325	WONG, Richard T. Y.
204	STIBBARD, Harry T.	337	WONG, Stanley A.
221	STINSON, James W.	308	YAMAGATA, Gary
194	STRAUCH, Paul K., Jr.	278	YAMAMOTO, Mildred M.
262	STROMBECK, Dorothea	324	YAMASAKI, Edna E.
282	SULLIVAN, Jean C.	416	YAP, Diana L.
389	SUR, Viola O. C.	341	YASUDA, Henry T.
304	SUZUKI, Florence K.	365	YEE, Richard K. M.
339	TAMASHIRO, Ted K.	364	YOMEN, Thomas H.
257	TAMASHIRO, Yeiichi	226	YOUNG, Oi Wun
		248	ZALOPANY, Nancy P.

Motion passed unanimously.

REQUEST FOR RESTORATION OF LICENSE -
CLARENCE J. HAMAISHI, BROKER, R.B. NO. 2576

The Chairman reviewed the Commission's position at the previous meeting, noting the members' agreement as recited in the minutes of June 25, 1965.

Mr. Palk reported that he and the Executive Secretary met with Kenneth Saruwatari, Deputy Attorney General, to discuss legal questions pertaining to alleged violations of Chapter 170 in the Hotel Beachwalk Terrace Project in 1961.

Mr. Palk stated he advised Mr. Saruwatari that the Commission was considering a conditional program of rehabilitation and restitution of investors' funds under the sponsorship of Mr. Hirotohi Yamamoto, principal broker of Manoa Realty, and that it was the Commission's desire to know whether such a

conditional program was within the discretionary authority of the Commission under Chapter 170.

After reviewing the Commission's powers and authorities under Chapter 170, Mr. Saruwatari explained that the Commission has the power to revoke or suspend licenses for violations under Chapter 170 and as that power is discretionary it also has the authority to work out a disciplinary program of less than suspension or revocation. This discretion stems from the fact that the law is not mandatory on suspension or revocation of licenses but leaves discretion to the Commission to impose revocation or suspension or some lesser punishment.

Mr. Saruwatari also advised that if the alleged violations were prosecuted as a criminal matter, the statute of limitations for criminal prosecutions is two (2) years and that it would not run for the period during which Mr. Hamaishi had departed for Japan. It was noted in the meeting that some of the alleged violations occurred in 1959 and therefore if Mr. Hamaishi had left for Japan in 1962 it is entirely possible that the statute of limitations would bar prosecution of violations occurring in 1960 and earlier. The question was also raised with Mr. Saruwatari as to whether the statute of limitations applied to administrative revocation or suspension of licenses for alleged violations under Chapter 170. Mr. Saruwatari advised that this matter has never been researched as far as he knows but that there must be some case law covering this subject.

Having briefed the members thusly the Chairman excused Mr. Charlton and Mrs. Olds, directing that the record show that on motion the Commission assembled in Executive Session.

The Chairman invited the following to appear before the Commission:

Mr. Clarence J. Hamaishi
Mr. Hirotooshi Yamamoto, Principal Broker, MANOA REALTY
Mr. Shigeto Kanemoto, Attorney At Law

The Chairman reviewed the Commission's position on Mr. Hamaishi's application for restoration of his license and traced historically the licensee's status from July 1961 up to and including June 25, 1965. The Commission's decision at the previous meeting to conditionally restore the applicant's license to the custody of Mr. Yamamoto was reviewed as well as the requirement that the Chairman would discuss all alternatives with the Attorney General. The subsequent meeting with Mr. Saruwatari, Assistant Attorney General, was also reported on by the Chairman to the applicant and his party.

The applicant, the proposed employing principal broker and their counsel heard the Chairman's recitation through and were satisfied that generally the facts, the procedures and the solution were accurate, sound and reasonable. The Chairman

then read step-by-step the conditions under which the Commission would restore the license of the applicant to the custody of Mr. Yamamoto.

The appellant, Mr. Hamaishi, along with Mr. Yamamoto and Mr. Kanemoto, accepted the conditions as recited. There was discussion as to when a program of restitution could be initiated as this would require out-of-state correspondence and attendant responses. The time of thirty (30) days in which such a program could be started was discussed preliminarily. The Executive Session was concluded with the withdrawal of the invitees.

UPON MOTION it was agreed that the Commission would pursue the approach of conditionally restoring the broker license of Clarence J. Hamaishi and that the statements in the conditional part of the draft letter to Mr. Yamamoto, being in general that text read to him during the Executive Session, would be prepared in the smooth, at the Chairman's direction, and at the appropriate time Mr. Yamamoto and Mr. Hamaishi would be notified to come forward and sign the letter, registering acceptance of the Commission's proposed plan of action.

Motion passed unanimously.

The Chairman directed that the Executive Secretary reflect in the minutes that Mr. Kashiwa, upon request, was excused from the balance of the proceedings after the conclusion of the Hamaishi deliberations.

Mr. Charlton and Mrs. Olds returned to the Commission meeting.

SUBDIVISIONS (Sec. 170-30. through
MAKAKILO CITY UNIT VII SUBDIVISION

The Commission accepted this registration carried over from the previous meeting.

CONDOMINIUMS (Sec. 170A-1. through 170A-48.)

REGISTRATION NO. 80 - TERRACE APARTMENTS
Final Public Report issued June 15, 1965.

REGISTRATION NO. 81 - KONA MAGIC SANDS
Final Public Report issued June 30, 1965.

REGISTRATION NO. 82 - COUNTRY CLUB HILL
Preliminary Public Report issued June 30, 1965.

REGISTRATION NO. 83 - MAKAHA SHORES
Final Public Report issued July 1, 1965.

REGISTRATION NO. 84 - TERRACE TOWERS
Final Public Report issued July 2, 1965.

REGISTRATION NO. 85 - PEARL MANOR APARTMENTS

Final Public Report issued July 2, 1965.

REGISTRATION NO. 86 - MOKULANI APARTMENTS

Final Public Report issued July 9, 1965.

REGISTRATION NO. 87 - KE AEKAI

Final Public Report issued July 9, 1965.

REGISTRATION NO. 88 - THE PARKVIEW

Final Public Report issued July 14, 1965.

REGISTRATION NO. 89 - HALE KAAPALI

Final Public Report issued July 14, 1965.

REGISTRATION NO. 90 - MERIDIAN EAST

Final Public Report issued July 15, 1965.

REGISTRATION NO. 91 - 417 NAMAHAHA

Final Public Report issued July 16, 1965.

The above information on projects carried over from previous proceedings was accepted by the Commission.

LICENSING

New
Business:

UPON MOTION the Commission ruled that the licenses tentatively authorized for the following be approved, ratifying the action of the Executive Secretary:

CORPORATION

Universal Realty, Inc.

Norberto C. Villanueva, RPB

PARTNERSHIP

(none)

DBAs

(none)

BRANCH OFFICE

(none)

Motion passed unanimously.

SUBDIVISIONS - UPON MOTION the Commission accepts as completed the Subdivision Registration Statements on the following:

ENCHANTED LAKE ESTATES UNIT 5-B-4

LAKE HAVASU CITY TRACT NO. 147

SHELTER COVE - Twenty-four miles west of Garberville, Humboldt County, California; 4,469 residential lots;

Developer - Edward Y. H. Leong dba SHELTER COVE HAWAIIAN (33 South King Street, Honolulu, Hawaii); Selling Brokers - Universal Realty, Inc. (Noberto C. Villanueva, RPB) and Thomas Nakahara Realty, Hilo, Hawaii.

KULIAMANO HEIGHTS SUBDIVISION - Pepeekeo & Makahanaloa South Hilo, Hawaii County, Hawaii; 69 residential lots; Developer - Pepeekeo Sugar Company (c/o C. Brewer and Company, Honolulu, Hawaii, by C. R. Ewart III, Secretary) - no selling agent.

Motion passed unanimously.

CONDOMINIUMS - The Executive Secretary reported that Notices of Intention on behalf of the following projects have been received:

(UNASSIGNED) - THE WAIKIKI SKYLINER

(UNASSIGNED) - BLUEWATER LODGE

(UNASSIGNED) - ALII TOWERS

PRATT, MOORE, BORTZ & VITOUSEK correspondence of 6/22/65 - The Commission discussed the Howard Moore letter having received reproductions of the original from the staff. The problem was identified as the growing concern from different quarters of the organized real estate industry of developers use of purchasers funds under liberal interpretation of ACT 8, Section 3, Session Laws 1964.

The Chairman is of the opinion that immediate steps are to be taken in the revision of the condominium law Notice of Intention where it relates to ESCROW DEPOSITORY OF CLIENTS' ACCOUNT. He noted that the requirement is for more specific language that would show that funds from pre-sale of apartment units would be used only for those things specifically related to the construction of the building.

In the discussion that followed, the members gave consideration to incorporating safeguards that would have the Developer make a fuller disclosure as to how the project is to be financed, if the property committed to the project is a leasehold what steps have been taken to assure that funds are set aside and available when due for paying the ground rent; then in a broader sense what funds are available to pay those technical services that ACT 8, Section 3 envisioned could be paid.

It was the consensus that the Commission should not issue a public report until and unless the Developer can satisfy the regulators' probing and inquiry into the manner in which funds are set aside both at the Escrow Agent position where documents and deposits are transmitted and held under the Escrow Agreement and also at the interim and construction loan position at the mortgagee/lender.

In concluding the discussion the Commission accepted the Chairman's suggestion that a meeting should be set up at

once with representatives of the Escrow Association of Hawaii, Mortgage Bankers Association, Hawaii Savings and Loan League and such attorneys as Mr. Palk and Mr. Kashiwa believe could assist in the deliberations. The purpose of the conference would be to establish a sounder system of monitoring the flow of purchasers' monies within the framework of what the Senate Judiciary Committee, 1964 Budget Session, had in mind as stated under their committee report to the Senate leadership supporting passage of ACT 8.

The Chairman had agreement from the Commissioners on the general make-up of the panel that was to be structured.

Investiga-
tions:

RE-181 KENNETH Y. C. LEONG - This matter is deferred to the September 1965 meeting. An informal conference with parties to the complaint is to be scheduled to determine whether there is merit to setting this down for a hearing on the charges.

RE-184 UNITED REALTY COMPANY - Upon review of the facts presented in the investigation report, the Commission is of the opinion that there was not sufficient grounds to proceed to a hearing.

Miscellaneous:

PATRICK M. MURPHY Appeal - Deputy Attorney General Roy Takeyama reports that the Court has granted a continuance to August 17, 1965.

1966 EXAMINATION SCHEDULE - The Executive Secretary recommended the program of tests for next calendar year be as follows:

Tuesday, February ¹⁵~~16~~, 1966
 Tuesday, June 28, 1966
~~Monday~~, October 25, 1966
 Tuesday,

The Commission approved the recommendation.

BROKER APPLICANT - WAIVER OF APPRENTICESHIP - The applications of William H. Bengé and Heinz Guenther Pink for the October examination for broker license will be reviewed by the sub-committee of Mr. Palk and Mr. Kashiwa. Their recommendation is to be made to the full Commission.

1966 FISCAL YEAR PROGRAM - The third Tuesday of each month, at 1:00 p.m., in the City of Honolulu was accepted as the normal date and time for the Commission to meet when such meetings are held on the Island of Oahu.

An Education Task Force, comprised of Mr. Sodehani and Mr. Young will study possibilities of improving the professional calibre and competency of those who aspire to real estate practice and those presently engaged as active brokers and salesman. The Executive Secretary will assist the commissioners in assembling material and procedural information from the NALLO jurisdictions.

Date of
Next Meeting:

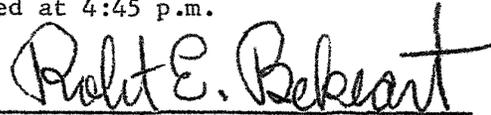
Mr. Beard suggested a departure from Honolulu Friday morning, August 20, landing at Kailua where a field inspection of Kona developments can be made prior to luncheon with West Hawaii

licensees. An afternoon drive can be made to Kamuela/Kawaihae area for further inspections, then party can remain overnight at MAUNA KEA BEACH HOTEL.

Depart Kamuela Saturday morning, August 21, via Hamakua Coast road for Hilo, field inspection of close-in developments would precede luncheon with East Hawaii licensees. Afternoon could be field inspection of Puna/Keauu subdivision areas, chain of craters road network and return in evening to remain overnight in Hilo.

The Commission accepted Mr. Beard's verbally presented program for the County of Hawaii meeting.

Adjournment: There being no further business to conduct the Chairman declared the meeting adjourned at 4:45 p.m.



ROBT E. BEKEART
Executive Secretary

APPROVED BY THE COMMISSION

JACK K. PALK, Chairman

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8/20/65