

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

MINUTES OF MEETING

Date: Tuesday, September 21, 1965, 1:30 p.m.

Place: Conference Room, 424 South Beretania Street, Honolulu, Hawaii

Present: Jack K. Palk, (Oahu) Chairman Harold J. Silva, (Oahu)
Yukio Kashiwa, (Oahu) Vice Chairman Douglas R. Sodetani, (Maui)
Dorothy S. Ahrens, (Kauai) William H. C. Young, (Oahu)
William A. Beard, (Hawaii)
Tom L. Peterson, Deputy Attorney General
Robt E. Bekeart, Executive Secretary

By Invitation:

Wesley F. Charlton, representing Hawaii Real Estate Association

Call to Order: There being a quorum, the Chairman called the meeting to order at 1:30 p.m.

Minutes: The minutes of Friday, Saturday and Sunday - August 20, 21 and 22, 1965 meeting in the County of Hawaii, not being processed were deferred to the next meeting.

Financial Report: The Executive Secretary report that the report for the month ending August 31, 1965 was not available.

UPON MOTION the Commission expressed to the minutes the request that the practice of submitting Financial Reports to the agenda be re-stituted.

Motion carried unanimously.

Business Out of Minutes: LICENSING (Sec. 170-1. through 170-14.)
(None)

SUBDIVISIONS (Sec. 170-30. through 170-38.)

MARCO BEACH UNIT 1 through UNIT 21 - Assigned to Mr. Beard for examination at the previous meeting. He reported that the subdivider has made a comprehensive and frank disclosure of what they are required to do lawfully at the site in Collier County, Florida. Further, he noted that his examination showed what they can do, as well as what they cannot do in the sense of a good development. The question of what brokers will be selling this offering in Hawaii will be taken up with the developers.

DELTONA LAKES (thirteen various UNITS) - Assigned to Mr. Young for examination at the previous meeting. He reported that the registration appeared acceptable and complied with Hawaii law.

The question of selling brokers in Hawaii will be resolved by the Executive Secretary's inquiry to the Florida developers.

VEIN OF GOLD - Assigned to Mr. Sodetani at the County of Hawaii meeting. The registration appears to be acceptable. Question of identity of selling brokers in Hawaii is to be pursued by Executive Secretary.

RANCHO 1001 - At the previous meeting this was assigned to Mr. Kashiwa for examination. It was noted that this offering adjoins the development, VEIN OF GOLD, immediately above and the information submitted appears identical. The selling broker item on the registration statement will be pinned down.

A general discussion by the membership pointed up the value of examination by commissioners of the out-of-state registration. In order to improve the administration and enforcement of the subdivision requirements, it was suggested that each reviewer would prepare a statement on his findings in the study of documents and exhibits submitted. The intention being to establish a file of memoranda type reports identifying those items which the respective member feels should be in place. The inquiry of the Commission turned to the reliability of the information submitted by the subdivider-registrant. There was agreement that the regulators should establish an objective or goal of reviewing problems which might exist in the submission of a project for acceptance. It was felt that some standard should be established in order to identify problems that the Commission would encounter in studying registrations.

UPON MOTION the Commission ruled that each member reviewing a subdivision registration would prepare a written report embracing such items as (1) the offering does or does not meet the requirements of Sec. 170-30. through 170-38. and the (2) reviewers general observations noting a recommendation to accept the registration as complete or a statement of rejection founded on the fact that the filing is incomplete and why.

Motion carried unanimously.

The Chairman expressed the need to process these registrations carefully thereby developing a policy or system for processing future subdivisions that come before the Commission. Further, such a serious effort would assist the members in setting up a reservoir of experiences from which amendments to the law might be drawn, enabling the Commission to go before the Legislature with a properly documented position on necessary remedies that should be added to the law. The value of cooperating on an interstate basis with other NALLO jurisdictions having subdivision controls was also discussed.

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

REGISTRATION NO. 93 - 1717 MAKIKI
Final Public Report issued August 26, 1965

REGISTRATION NO. 94 - ALII TOWERS
Final Public Report issued September 9, 1965

REGISTRATION NO. 95 - HEULU GARDENS
Final Public Report issued September 16, 1965

REGISTRATION NO. 96 - TROPICANA VILLAGE CONDOMINIUM-MAKAI
Preliminary Public Report issued September 17, 1965

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

New
Business:

LICENSING

OCTOBER 22, 1965 EXAMINATIONS - The Executive Secretary reported the following application statistics:

	<u>Salesman Applications Filed</u>	<u>Broker Applications Filed</u>
City and County of Honolulu	448	59
County of Hawaii (Hilo)	24	3
County of Hawaii (Kona)	12	1
County of Maui	4	0
County of Kauai	5	2
TOTAL	<u>493</u>	<u>65</u>

NEW CORPORATIONS, PARTNERSHIPS AND DBAs

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

Corporation

VIP INVESTMENTS, INC. Harold Y. K. Kam, RB

Partnerships

(None)

DBAs

Homer L. Winnagle dba WINNACLE REALTY BROKERS
Carol A. Farden, Jr. dba C. FARDEN & ASSOCIATES

Motion carried unanimously.

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

BONDED INVESTMENT - MAILE SUBDIVISION - Lualualei, District of Waianae, Honolulu, Oahu, Hawaii; 46 residential lots; developer BONDED INVESTMENT - MAILE SUBDIVISION (Chuck Shima, President, BONDED INVESTMENT CO., LTD., Managing Partner); selling broker - BONDED REALTY CO., 1030 Smith Street, Honolulu, Hawaii.

MAUNALUA TRIANGLE - Maunaloa, Honolulu, Oahu, Hawaii; 78 residential lots; developer -KAISER HAWAII-KAI DEVELOPMENT CO., (George Pai, Assistant Secretary); selling broker - KAISER HAWAII-KAI DEVELOPMENT CO.

PLEASANT VALLEY HIGHLANDS UNIT II - Dorris, Siskiyou County, California; 679 residential lots; subdivider - Charles L. McLaughlin (owner of beneficial interest), 3429 Ocean View Blvd., Glendale, California; selling broker - none identified in Registration Statement. (Subdivider in long-hand writing states "Confined to selling by mail only.")

Mrs. Ahrens examined the registration and recommends its acceptance.

FOSTER VILLAGE - UNIT 12 SUBDIVISION - Halawa, Ewa, Honolulu, Oahu, Hawaii; 63 residential lots; subdivider - TOWN INVESTMENT, LTD., (Philip Ing, 81 So. Hotel Street, Honolulu); selling broker - BISHOP REALTY, INC.

Motion carried unanimously.

The Executive Secretary reported Subdivision Registration Statement has been received on the following:

MOUNT SHASTA VISTA SUBDIVISION - Grenada Cut-Off, County Road A-12, Siskiyou County, California; 4,090 acres divided into 1,636 lots; developer - PACIFIC SHORES REALTY, (George K. Collins, President, 2682 E. Garvey Blvd., West Covina, California); selling broker - Roland A. Cloutier dba ROLAND REALTY, 45-480 Kaneohe Bay Drive, Kaneohe, Oahu, Hawaii.

Assigned to Mr. Harold J. Silva for examination.

CONDOMINIUMS - The Executive Secretary reported that Notices of Intention had been submitted on behalf of the following:

(UNASSIGNED) - KAM TOWERS

(UNASSIGNED) - ALA MAR

(UNASSIGNED) - MARINE SURF WAIKIKI

(UNASSIGNED) - ROYAL VISTA CONDOMINIUM

Investiga-
tions:

Appearance

RE-133 BARNEY B. MENOR, accompanied by Mr. James Wakatsuki, Attorney. Respondent admitted that possibly he had erred by being lax and tardy in his communications with the complainant. Mr. Menor gave the background as how he became property management agent in this case. Since she released him from this agency he has not heard from her, nor has she started legal action against him as she said she intended doing.

UPON MOTION the Commission ruled, after developing the background of the case through inquiry and questioning that no evidence is present to indicate that the respondent had violated existing real estate license law or effective rules and regulations.

Complaint is placed on file without prejudice.

Motion carried unanimously.

Appearance

RE-181 KENNETH Y. C. LEONG, accompanied by Mr. Charles K. C. Chang, Attorney. Mr. Silva asked that the record show his request that he be excused from participating in this informal conference as the respondent is in his employ as a licensed real estate salesman. The Chairman accepted Mr. Silva's statement.

The members heard exploratory background to the complaint and the role of the respondent.

UPON MOTION, in view of the pending litigation on this property at the Circuit Court, the Commission ruled that the complaint is to be set aside pending conclusion of the law case between the respective parties.

Motion carried unanimously. Mr. Silva not participating in the discussion, call for motion or vote.

It was the consensus of the Board that a determination could not be made at this time as having heard only the respondent's presentation it would be unfair to the complainant's side.

RE-185 PETER G. SHAYNE - Having received an expression of September 2, 1965 from the Attorney General, the Commission instructed the Executive Secretary to cooperate with the County of Hawaii Attorney and forward information, documents and exhibits that would aid in the prosecution of this infraction.

RE-187 FONA SCENIC LAND COMPANY

RE-188 MRS. JOSEPHINE KELIHIKIPI - The Commission discussed the two complaints, with respective investigation reports in hand, as each being part of the same problem.

RE-194 JOHN H. PETERSON - The Commission ruled that this case be referred to the Attorney in and for the County of Hawaii with the objective that it be prosecuted. The members were of the belief that action should be taken to enjoin this person from selling real estate without being licensed. The respective investigation report is to be forwarded to Hawaii County's legal officer for appropriate action.

Miscellaneous:

HORIZONTAL PROPERTY ACT - The Chairman reviewed some of the procedural problems that Commission faces in administering Chapter 170A and supplementary requirements that were established July 23, 1965. General discussion followed on the policy of requiring that the Declaration, By-Laws and Floor Plans must be recorded with the Bureau of Conveyances before the Commission will issue its Final Public Report. It was agreed that further discussion will be had on these procedural matters with Mr. Peterson, Deputy Attorney General. Long range planning will embrace formulating, adopting and promulgating improved condominium rules and regulations, with particular emphasis on the positions of policy established by the Commission with reference to ACT 8 financing, submission of costs involved in completing the project, filing of executed escrow agreements and other related items under the July 23, 1965 position.

37TH ANNUAL MALLO CONFERENCE - Mr. Young is making the necessary preparations to attend the national meeting as the representative of the State of Hawaii. Processing of travel, per diem and registration funding has commenced.

HONOLULU BOARD OF REALTORS - The Commission discussed the July 13, 1965 letter of Mr. Kenneth M. Young, President of the Board regarding the requirements and procedures to be followed by brokers sponsoring new salesmen. It was agreed that the "STATEMENT OF PROSPECTIVE BROKER-EMPLOYER" on the recently revised salesman application form will be redrawn and incorporated into the license application system as an item for a successful candidate to submit after he has written a passing examination and advised of the Commission's action finding him qualified in that respect.

ANTELOPE VALLEY LAND SALES - The Deputy Attorney General Peterson took part in the discussion of the lot-split sales method and the power-of-attorney route used in promoting the sale of out-of-state lands. The Chairman emphasized the Commission's position as requiring an identification of the various problems in these land selling schemes and the analysis of questions that arise as complaints are filed and investigation conducted. The cooperative effort to investigate Antelope Valley land sales with the Anti-Trust and Consumer Protection Division, Department of the Attorney General is still a requirement that has not been met.

In response to oral suggestions, the Deputy Attorney General Peterson will research such problem areas as circumvention of the real estate

laws by (1) lot-split sale operators, (2) power-of-attorney abuses and (3) corporate officers and fictitious owners selling lands outside the bonafide exempted classes in the license law.

POWER OF ATTORNEY - Adoption of Rules and Regulations

The Chairman expressed the need that immediate action be initiated, with the advisement of the Attorney General, to close possible existing loop-holes in regards to the use of the power-of-attorney apparatus as a device to circumvent the real estate licensing statute. The Executive Secretary is to make the Commission's 1965 Legislative Program file available to Deputy Attorney General Peterson in order to permit his researching the problem. The complaint and investigation file on the HAWAIIAN PARKS-HAWAIIAN BEACH power-of-attorney operation in Hilo, along with related material, documents and exhibits shall be forwarded to Mr. Peterson.

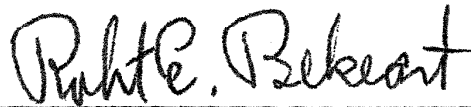
Date of
Next
Meeting:

There was agreement that meetings of the Commission in Honolulu are to be scheduled for the third Tuesday of each month, commencing at 1:00 p.m.

The next meeting is set for Tuesday, October 19, 1965 in Honolulu.

A tentative meeting date of Friday, November 26, 1965 in the County of Kauai was established, contingent on the finding question being resolved with the administration. The commissioners are cognizant of a July 28, 1965 position of the department withdrawing approval of a previously programmed meeting to be held in a neighboring island county.

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



ROBT E. BEKEART
Executive Secretary

REB:sw
10/18/65

APPROVED BY THE COMMISSION:

JACK K. PALK, Chairman