

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

MINUTES OF MEETING

Date: Thursday, February 26, 1970
Place: Board Room, Kamamalu Building, 1010 Richards Street, Honolulu, Hawaii

Present: Herbert S. Isonaga (Oahu) Chairman Harold J. Silva (Oahu)
Douglas R. Sodehani (Maui) Vice Chairman William H. C. Young (Oahu)
Irving A. Jenkins (Kauai)

Robt E. Bekeart, Executive Secretary
Yukio Higuchi, Executive Secretary

Absent: Louis Cannelora (Oahu)
Hiromu Yamanaka (Hawaii)

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

Mr. Edwin H. Honda, Director of Regulatory Agencies briefed the Commission on one of his administrative goals. He announced reassignment of tasks whereby Mr. Higuchi would take over the boards and commissions that Mr. Bekeart has supported, while the latter assumes the responsibility for administrating to the needs of boards Mr. Higuchi has handled. The Director explained that his objective was to expose executives in his department to various assignments on a rotation basis in order to provide for back-up personnel in positions of importance and responsibility. The transfer of duties is to be effective March 1, 1970.

Minutes: UPON MOTION, the Commission approved the minutes of Thursday, January 29, 1970, meeting.

Motion carried unanimously.

Business Out of Minutes: Licensing (Sec. 467.1 through 467.26, HRS)

Mahalo Realty, Inc. (effective 1/1/70) and Mahalo Properties, Inc. (effective 1/7/70) - The similarity of names problem has been reviewed with the principal brokers of the two firms. Roger M. F. Young of Mahalo Realty, Inc., states they had planned to incorporate in January 1969 using this name, but at July 1969 they encountered technical problems for documentation, organization and stock subscription. Waited until December 1969 to file with Business Registration Division, then with Commission.

Principal broker Fumie Fujii of Mahalo Properties, Inc., had no suggestions to offer at time of discussion. She understands the Commission's position to accept the name that was registered first. She is to give the matter further thought and call back in a few days.

Condominium (Sec. 514.1 through 514.55, HRS)
(see ATTACHMENT)

Investigations: RE-329 Condominium Hawaii, Inc. - KAHALA TOWERS

Mr. Young, Hearing Officer, reported that the matter was prepared to come on for a hearing on February 12, 1970. After a short delay in starting the proceedings, the attorneys representing both the complainant and the respondent appeared before the hearing officers to announce that a settlement had been reached and if it was acceptable to Mr. Cannelora and Mr. Young, Hearing Officers, the contested case proceedings could be cancelled. The Hearing Officers accepted the attorneys' suggestion with approval.

RE-350 Chase Pacific, Inc. - Executive Secretary reported that this matter is under litigation in the courts by both complainant and respondent, with possibility that a third party may also initiate legal action. The Commission directed that the complainant is to be told that proceedings in this matter will be set aside until the court system has made a determination. If such temporary action is acceptable to the complainant this would be the Commission's position.

RE-355 Raymond J. Proctor - Mr. Young, Hearing Officer, reported that the matter came on for a hearing before Mr. Cannelora and himself on October 16, 1969. The respondent has been notified of the Findings of Fact, Conclusions of Law and Recommendation of the Hearing Officers and counsel for Mr. Proctor has orally advised the Executive Secretary that the proposed action relating to his client's status as a real estate salesman is accepted.

UPON MOTION the Commission decided to accept the Hearing Officers' recommendation that upon reactivation of the real estate salesman license, Raymond J. Proctor, be employed by a real estate broker, satisfactory to the Commission, who will be responsible for the immediate and personal supervision and control of the respondent's conduct for a probationary period of not less than twelve months. Further, at the conclusion of this probationary period, the Commission will consider the respondent's application for a real estate broker license.

Motion carried unanimously.

The respondent is to be advised by the Commission's order that the Hearing Officers' recommendation, entered February 6, 1970, has been accepted with approval.

RE-359 Portrait of Homes, Inc. - A requirement has been put on the principal broker, Ron Peart, of the principal office of this firm to report, in writing, on the income or payroll figures of Owen Ariki during his employment in Hilo in order to show the Commission whether there is any correlation between the employee's

monthly income and the sale of subdivision lots where he was instrumental in showing the offered properties to prospective buyers.

RE-361 Richard Dollnig - Preparations have been made to have this matter of Mr. Dollnig's application for a real estate salesman license come on for a hearing in the Maui State Office Building, Wailuku, Maui, on Friday, March 13, 1970, at 10:00 a.m. before Messrs. Sodetani and Silva, Hearing Officers.

RE-362 Betsy Christian/Action Realty, Inc. - The draft of hearing notice and charges is at the Attorney General's office awaiting their examination of the file and approval of the proposed notice.

RE-363 Floyd Kaneshiro - The matter is being prepared for setting down a hearing. The proposed notice has not cleared the Executive Secretary's office for review by the Attorney General.

RE-366 Coral Realty, Ltd. - From the facts presented in the investigation report, it appears that some circumstances in this transaction warrant careful examination before setting it down for a hearing. It was decided to defer scheduling of hearing pending the Chairman's specific instructions to the Investigation Branch to re-investigate the act of Coral Realty, Inc., having an overdrawn client's trust account.

RE-370 Alohawaii Real Estate - The Executive Secretary reports that this is an internal green memorandum not distributed to the Commission. The complainant, Mr. D. W. Sur, has been advised that language in the terms and conditions of his offer to buy a Kuapa Isle condominium unit must prevail and the withholding by the seller of the escrow service fund is in keeping with the agreement he signed.

RE-371 Makaha Beach Cabanas - Action on this matter is deferred. The staff is to review the Developer's submittal when a request for a Supplementary Public Report was filed and determine if there had been a disclosure that would show the project had been materially changed, within the context of the complainant's allegations.

RE-374 John Stapleton/Portrait of Homes, Inc. - The complainant has been told that the seller did have an interest in the condominium apartment in question and that said seller was rightfully in a position to offer it for sale.

RE-375 Betsy Christian/Action Realty, Inc. - The draft of hearing notice and charges is at the Attorney General awaiting examination of the file and approval of the proposed notice.

RE-376 Pacific Condominium Corporation - Staff processed this complaint and it was not circulated to the Commission. Executive Secretary will prepare a memorandum on this matter which terminated in the complainant giving notice that he had received satisfaction and requested withdrawal of his complaint.

RE-377 Union Investments, Inc. - The Commission asks that the Investigation Branch get a determination from the complainant why \$1,500 in checks were turned in, when he reportedly had paid \$1,500 down payment. Information should be clarified on what did the amount in checks turned in represent, what was the source of these remittances and for what services performed were the checks issued. The complainant is to be told that the Commission is investigating the matter further in order to locate the person referred to as Violet Young, inasmuch as the officers of Union Investment, Inc., have told the investigators that this person is unknown to her. Every effort is to be made to solicit the fullest cooperation of Mr. Phillips, the complainant, in expanding the scope of the investigation.

RE-387 Bonnie Dunford - The Commission studied green memorandum report from the Kauai investigators and decided that the respondent is to be told that the sign she has posted on the property in question near the Koloa School tends to mislead the public into believing something that in fact is not true at the present. The members are inclined to see a violation of Sec. 467-14(2) and (3) in possible misrepresentation in the language on the posted sign offering the property for sale.

Adrianus Holgen - The applicant for issuance of a real estate salesman license has been into the Commission's office and disputes that he is of bad character and reputation. He states categorically that he does not know anything about Contractors License Board charges against him for unlicensed activity. He was orally advised that the Commission is preparing a hearing on the basis that certain investigation files and records, now in the custody of the Prosecutor, City and County of Honolulu, reflect specific instances of Mr. Holgen's violation of licensing laws.

New Business: Licensing:

Corporation

Alpha Real Estate, Inc.
Goss-Reynolds, Inc.

Principal Broker

Shozo Yoshizawa
Howard H. Goss

Partnership

(none)

DBA

Chesley Realty

Elwood W. Chesley dba

Licensing (Cont'd.)

Branch Office

Hawaiian Real Estate Corp., Br. 1	Henry Medford, BIC
Pioneer Realty dba Mauna Kea Realty, Br. 1	Frederick L. Noa, BIC
Portrait of Homes, Br. 6	Edward H. Sato, BIC

UPON MOTION, the Commission ruled that the license processings immediately above, as tentatively authorized by the Licensing Administrator, be accepted with approval and entered of record.

Motion carried unanimously.

Miscellaneous:

Commission's Real Estate Research and Education Program
Discussion hinged on the preparation and introduction of a bill which, through amendments to Sec. 467-8, HRS, would strengthen the requirements for issuance of a salesman license and broker license and permit the Commission to meet one of its short-range objectives in the program to seek professionalism through education.

Characteristics and Profile Study Status Report
Assistant Professor Donald W. Bell, School of Travel Industry Management, U.H., has no current report on concluding the project.

Real Estate Recovery Fund

Allbritton vs. Interstate Realty - Civil 27045
The rescheduled hearing on this matter was held February 25, 1970 in the Circuit Court of the First Circuit. The Chairman announced that Judge Fukushima ruled in favor of the Plaintiff, ordering a payment of the judgment from the Real Estate Recovery Fund.

Deputy Attorney General Jeffrey N. Watanabe is cognizant of other claims against the Fund and has taken required legal steps in the following:

Hamada vs. Estate of H. Bates Len - Civil 30113
Ishihara vs. Floyd T. Kaneshiro - Civil 29876
Watanabe vs. Floyd T. Kaneshiro - Civil 29875

The Commission's counsel is in contact with Mr. James E. T. Koshiha, attorney, regarding the intended claim of Great Hawaiian Realty, Inc.

In concluding its discussion on the Recovery Fund claims the Commission agreed that a reexamination of the statute may be necessary with the objective of amending such sections of the law which permit claims against the Fund where the

respondent licensee cannot be served or contacted, where a reasonable search shows there are no assets and where the corporation may have gone out of business. Further study of these points, with the assistance of the Attorney General, will be made by the Commission.

1970 Legislature

Commission acknowledged the following legislative actions or proposals:

- S.B. No. 1505-70 Relating to compensation for members of boards and commissions.
- S.B. No. 1548-70 Relating to protection of funds placed in escrow by purchasers of condominium units.
- S.B. No. 1547-70 Relating to resale of units prior to the completion of a condominium project.
- H.C.R. No. 16 Requesting the Legislative Auditor to conduct a study of regulatory boards and commissions.
- H.C.R. No. 21 Requesting reexamination of certain qualifications required for employment and practice of professions.

It was agreed that the Commission will work with the Honolulu Board of Realtors to draft and seek the assistance of legislative leaders to introduce a proposed amendment to Sec. 467-8 which would require 40 hours education as a requirement for salesman and similarly changing the requirements for issuance of broker license to 60 hours of advanced education in real estate, in courses which meet standards established by the Commission.

The proposal to introduce legislation requiring a triplicate rental receipt and setting a pattern of distribution of same has been presented to a legislative leader seeking his assistance in having it introduced.

1970 NARELLO Western District Conference

In its morning discussion, the Commission refined preliminary plans and established specific areas of responsibility to insure the success of the June conference in Hawaii.

Date of Next Meeting:

Thursday, March 19, 1970 at 2:00 p.m.

UPON MOTION the Commission acknowledged the service of Mr. Bekeart as Executive Secretary for the past fifteen years and thanked him accordingly.

Motion carried unanimously.

Adjournment:

There being no further business to transact, the Chairman declared the meeting adjourned at 5:30 p.m.



ROBT E. BEKEART, Executive Secretary

REB:va
3/13/70

Att.