

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

MINUTES OF MEETING

Date: Tuesday, April 19, 1966

Place: Conference Room, 424 South Beretania St., Honolulu, Hawaii

Present: Jack K. Palk, (Oahu) Chairman William A. Beard, (Hawaii)
Yukio Kashiwa, (Oahu) Vice Chairman Harold J. Silva, (Oahu)
Mrs. Dorothy S. Ahrens, (Kauai) William H. C. Young, (Oahu)

By Invitation:

Wesley F. Charlton, representing Real Estate Association of Hawaii
Phil B. Thomas, representing Honolulu Board of Realtors

Absent: Tom L. Peterson, Deputy Attorney General - excused

There being no appointed representative for the County of Maui,
the Chairman notes this for the record.

Call to Order: With a quorum present Mr. Kashiwa, presiding as Chairman, called the meeting to order at 10:10 a.m.

At this time, Mr. Kashiwa noted that Mr. Palk had phoned him asking that the meeting commence on schedule and that the Chairman would join the proceedings shortly.

Minutes: UPON MOTION, the Commission approved the minutes of Tuesday, March 15, 1966 as distributed.

Motion carried unanimously.

Financial Report: The Financial Report for that portion of the Third Quarter, Fiscal Year 1966, ending March 31, 1966 was noted and filed.

Mr. Palk joined the meeting, Mr. Kashiwa relinquishing the chair to the Commission Chairman who conducted the meeting.

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

DE VORE LICENSE APPLICATION - The Chairman reported to the members on his discussion with the Director, Mr. Hashimoto, and reviewed alternatives that should be explored. It was the administration's suggestion that rather than try to secure the services of a State psychiatrist to examine the applicant, the Commission could invite him to appear and a determination would be made as to whether he would be willing to undergo examination by his own personal physician or would he permit examination by a state medical officer. The

candidates reaction to these suggestion would permit the Commission to consider proceeding to a hearing for denial of license on the basis of entries in the abstract of criminal record where there were charges but no convictions. It would be the Commission's responsibility to explore, through whatever testimony could be developed, how the applicant would conduct himself in dealings with the public. The Commission expressed genuine concern over the anticipated behavior of the applicant and the reflective effect his licensing would have on others in the real estate community.

The members concluded the discussion with the decision that the applicant will be invited to meet with a subcommittee of the Commission, and he is to be accompanied by the acting Principal Broker, Mr. Ralph Schrader of the firm he seeks employment with. Mr. Palk, Mr. Kashiwa and the Executive Secretary will participate in this meeting to develop, explore and verify Mr. De Vore's record and present habits of conduct.

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

KONA SOUTH ESTATES SUBDIVISION - Not having received compliance from the Developers with the order that there be revision in the name of the offering, the Commission ruled that the registration is held in abeyance pending receipt of information to correct this problem to the satisfaction of the regulators. The Executive Secretary is to write the Developer reemphasizing the Commission's position of February 18, 1966.

LAKE HAVASU CITY TRACT SUBDIVISION - The Commission reviewed the position of the Developer in his efforts to cooperate. It was agreed that within the framework of a program of correction the Commission accepts the suggested remedy whereby a revised letter, correcting the "free trip" connotation for Hawaii prospects, is to be mailed to substantially the same list of names that received the initial mailer. Within thirty (30) days the Developer will file with the Commission a list showing all prospective purchasers who are to receive the revised letter. If the Developer does not concur in this suggested program of correction, and such concurrence is to be demonstrated by compliance within thirty (30) days from this meeting date, the Commission will proceed to prosecute under appropriate measures of law.

The section of the subdivision law, Sec. 170-37., relating to the voiding of a contract, is to be called to the attention of the Developer. Confirmation of the program of correction is to be sought immediately from the Developer.

The Commission discussed, as a Statement of Policy, the guideline language which a Developer shall use in notifying the public that an offering has been registered with this body. It was agreed

that policy will require that the language or statement pertaining to registering with the Commission be incorporated in the text or body of the advertising or promotional matter. No special emphasis is to be placed on the statement nor shall the language be singled out for unusual treatment, such as the use of a type bolder than the regular type in the copy, the showing of an asterisk or a P.S. symbol to draw attention to this feature. There was general acceptance of the guideline language being ". . . This subdivision is registered with the Hawaii Real Estate Commission . . . "

PORT CHARLOTTE DEVELOPMENT - UPON MOTION, the Commission, acting on Mr. Silva's recommendation, accepts as completed the Subdivision Registration Statement on this offering.

Motion carried unanimously.

PORT ST. LUCIE DEVELOPMENT - UPON MOTION, the Commission, acting on Mr. Young's recommendation, accepts as completed the Subdivision Registration statement on this offering.

Motion carried unanimously.

PORT MALABAR DEVELOPMENT - UPON MOTION, the Commission, acting on Mr. Kashiwa's recommendation, accepts as completed the Subdivision Registration Statement on this offering.

Motion carried unanimously.

CONDOMINIUMS (Sec. 170A-1. through 170A-44.)

<u>REG. NO. 101</u>	<u>HARBOR VIEW PLAZA</u>
Final Report	April 6, 1966
<u>REG. NO. 125</u>	<u>HALE O KONA</u>
Final Report	March 11, 1966
<u>REG. NO. 126</u>	<u>LILIUOKALANI PLAZA</u>
Preliminary Report	March 18, 1966
<u>REG. NO. 127</u>	<u>THE WESTSIDE TOWERS APARTMENTS</u>
Preliminary Report	March 30, 1966
<u>REG. NO. 128</u>	<u>BELLEVUE TOWER</u>
Final Report	March 31, 1966
<u>REG. NO. 129</u>	<u>KAPIOLANI MANOR</u>
Preliminary Report	March 31, 1966
<u>REG. NO. 130</u>	<u>PACIFIC GARDENS I</u>
Final Report	April 6, 1966

<u>REG. NO. 131</u>	<u>PACIFIC GARDENS II</u>
Final Report	April 12, 1966
<u>REG. NO. 132</u>	<u>WINDWARD VILLA CONDOMINIUM PROJECT II</u>
Final Report	April 18, 1966
<u>REG. NO. 133</u>	<u>THE KAIMUKI CENTER</u>
Preliminary Report	April 7, 1966
<u>REG. NO. 134</u>	<u>THE TWIN TOWERS</u>
Preliminary Report	April 7, 1966

The above information on registrations carried over from previous meetings was accepted by the Commission.

AMERICAN SAVINGS & LOAN ASSOCIATION PROJECT - The Executive Secretary reported on his conference with Mr. Francis E. Denis, who handles the subject office building project in the Aaron M. Chaney, Inc. organization.

The Chairman directed that the minutes shall show that the Commission has been assured that the large full-page advertisement offering space in the proposed office building under a connotation that it was a condominium will not appear again. Mr. Denis accepts the Commission's position that the word "condominium" must be qualified to show the public that the Developer has in mind a plan or setup that is to be registered as a Horizontal Property Regime project with the Commission.

Investigations:

RE-198 VIOLET C. KING - The Commission studied the April 12, 1966 letter from Mr. Robert W. B. Chang, Attorney, in which he advised that the respondent has not sought his advice nor has he seen her professionally with respect to the arrangement entered into September 6, 1963. The licensee is to be given notice that the Commission would like to have her appear before the members to discuss her current real estate operations as well as her relationships with Mr. Chang within the framework of the two-year sponsorship.

RE-190 JACK N. MATSUZAKI - The Commission received the Executive Secretary's report to the effect that the respondent, through his counsel, Mr. Hiroshi Kato, accepted the regulators' condition of the voluntary suspension of real estate salesman license No. 6234 issued to Jack N. Matsuzaki. The effective date of the twenty-four months suspension shall be the date the licensee surrenders the permanent certificate and license identification card to the Commission.

RE-208 JOE HUNIER - The investigation of Mr. Hunter's role in offering Hawaiian Ocean View Estates land for sale under the power of attorney apparatus is continuing.

RE-209 EUGENE HELLINGER - The staff is assembling additional information on Mr. Hellinger's operations in consort with Mr. Joe Hunter, on previous page, and other out-of-states land sales activities.

RE-210 MARVIN MOCHE (aka HYMAN GALEA) - Subject non-licensed person's activities are being monitored as another Hawaiian Ocean View Estates agent.

New
Business:

LICENSING

NEW CORPORATIONS, PARTNERSHIPS, DBAs and BRANCH OFFICES

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

Corporations

PRIME REALTY, INC. (formerly LOOK REALTY, INC.)	Donald C. G. Look, RPB
MELVIN & CO., INC.	Eileen Memory, RPB
HICKS REALTY, INC.	Masao Rukui, RPB
SUNRISE REALTY MORTGAGE CORP.	Arthur H. Rodrigues, RPB
HAL KAM REALTY, INC.	Harold Y. K. Kam, RPB

Partnership

(None)

DEA

(None)

Branch Office

REINHARDT REALTY	Charles E. Wilkie, BIC
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SUBDIVISIONS

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

AHUIMANU GARDEN TRACT - Kahaluu, Oahu, Hawaii; 39 residential lots; Developer - Edward H. Lowe (1417 Punchbowl St., Honolulu); selling broker - Ed Lowe, Mark Song and Ed Yamaguchi.

KONA SEA VIEW LOTS - North Kona, Hawaii, Hawaii; 96 residential lots; Developer - Y & W Development, Inc. (Robert L. Wagner, P. O. Box 60, Mountainview, Hawaii); selling broker - Aloha Aina Realty Corp. (Hilo) and West Hawaii Realty, Co. (Kailua-Kona).

KALAMA HEIGHTS APARTMENTS - Kihei, Maui, Hawaii; 39 residential lots; Developer - Walter S. S. Zane (Suite 210, 1022 Bethel St., Honolulu); selling broker - Walter Zane Realty.

Motion carried unanimously.

CONDOMINIUMS - Notices of Intention have been received on:

- (UNASSIGNED) MAUI SANDS, UNIT II
- " PACIFIC TERRACE
- " MAUI SANDS, UNIT III
- " 1350 ALA MOANA
- " KAA NAPALI SHORES
- " KUHIO LANI HOTEL-APARTMENT
- " KAPIOLANI PLAZA

CHAIRMAN'S MEMORANDUM TO MR. HASHIMOTO, DIRECTOR

The April 5, 1966 paper on CONDOMINIUM FILINGS sets forth the program discussed earlier as a result of the Attorney General's Opinion 66-12 dated March 29, 1966. The Chairman's statement to the Director establishes the administrative guidelines the Commission shall follow in processing condominium registrations where there may be an indication that the project would have to be qualified under the Hawaii Sale of Securities Act.

The subject memorandum has been processed for study and comment by all commissioners.

Investigations:

RE-204 MOKULEIA BEACH CABANAS SUBDIVISION

The commissioners, having had an opportunity to study the narrative report, determined that on the basis of the facts and information presented there did not appear to be grounds for further action. Noted and filed.

RE-212 PASTOR A. PABLO & RUFINA PABLO

The commissioners accepted the report as an assembly of digested parts of a larger, more extensive investigation filed in the Securities & Exchange Commission case versus the subject real estate licensees. Accepted and filed.

RE-216 PAN AMERICAN LAND CORPORATION

Having studied the report and recognizing that it was an independent probe of possible subdivision law violators, the Commission directed that this case be made a part of the broader Antelope Valley Land Sales investigation.

Recess:

At 12:15 p.m., the Chairman declared a one-hour recess for the noon meal.

Reconvene:

At 1:15 p.m., the Chairman directed that the proceedings show the Commission had reassembled.

Miscellaneous:

OUT-OF-STATE LAND SALES

The Executive Secretary reported that responses were still coming in from the approximately twenty largest operators that had received the Commission's warning letter of March 4, 1966. Further, additional operators are being queried on their offers to sell California lands in possible violation of existing statutes and regulations. In general, it was agreed that the cooperation from land sales organizations and their attorneys has been satisfactory.

The Executive Secretary is to present a summary or feeling of the problem in digest form, illustrating the several methods in use by the promoters, at the next meeting.

EDUCATION TASK FORCE

The Chairman reported on the meeting of Commission representatives with university officials and the delegation from the organized segment of the real estate industry. He opined that the attitude of the academic authorities, Dr. Barnet and Professor Bell, of the College of Business Administration, is good and the meeting concluded with the understanding that an effort should be made to set the levels or areas of responsibility each of the three participating groups could work at productively.

It was reported that Dr. Barnet sensed that there was a need for a little more clarity from the regulatory body, as well as organized real estaters, as to what the standards or goals of professionalism should be. Fundamentally the meeting resolved the problem can be approached as (1) pre-licensing, (2) post-licensing, and (3) undergraduate career training and postgraduate refinement.

The Chairman summarized the conclusions of the informal and exploratory meeting as

- (a) the Commission's responsibility is to determine what the standards should be for those who seek to enter the field of real estate through licensing;
- (b) the Honolulu Board of Realtors and the Real Estate Association of Hawaii are to develop the standards of competency that those in the business should strive to attain;
- (c) the University of Hawaii will assist by influencing programs that will broaden and expand all educational opportunities for practitioners in the realty community that endeavor to improve themselves professionally.

NARELLO WESTERN DISTRICT CONFERENCE

The Chairman will communicate to the Director the Commission's desire that Hawaii be represented at the June 16 and 17, 1966 regional meeting in Reno, Nevada. He noted that it appeared likely that he would be able to attend; also, it was agreed that another member could

attend but it would have to be at the expense of the delegate.

As to attendance at the NARELLO ANNUAL CONFERENCE to be held in Miami, Florida in the Fall, it was noted that there is to be a member travelling at the expense of the State. The second delegate's attendance to the national meeting is considered as important if all facets of the program are to be covered intelligently, but here too it would have to be at the commissioner's own expense.

PROPOSED CHANGES TO RULES AND REGULATIONS

It was noted that a file has been set up for the specific purposes of developing rules and regulations to implement the licensing, subdivision and condominium statutes. Periodically a review will be made to determine the problem areas that need further regulation and the formulating of appropriate rules for adoption and promulgation.

1967 GENERAL SESSION, FOURTH LEGISLATURE

With the experiences before the 1966 Budget Session in mind, the Commission agrees that its legislative program for the next session in February 1967 should be initiated at once.

With a view to improving and strengthening the Hawaii Subdivision Registration Law, the members identified two areas that should be considered: (a) changing the definition of subdivision from the present 20 lots to the more acceptable 5 lots or more as in California and other states; and (b) the expansion of Sec. 170-30. through 170-38. to take care of the noncontiguous lots scheme as it presently plagues the authorities.

SMITH, WILD, BEEBE and CADES COMMUNICATION

The letter from the attorneys for State Savings and Loan Association regarding the KAUAIAN HYATT HOUSE condominium project is to be processed for routing to the commissioners for their study. The writer, James S. Campbell, will be contacted for an additional set of the documents and exhibits transmitted under his March 16, 1966 letter to the Commission.

Date of

Tuesday, May 17, 1966 at 10:00 a.m.

Next

Meeting:

Adjournment:

There being no further business, the Chairman declared the meeting adjourned at 2:30 p.m.



ROBT E. BEKEART, Executive Secretary

APPROVED BY THE COMMISSION:

JACK K. PALK, Chairman

5/13/66

REB:stw