

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

MINUTES OF MEETING

Date: Tuesday, July 19, 1966

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

Present: Jack K. Palk, (Oahu) Chairman  
Yukio Kashiwa, (Oahu) Vice Chairman Harold J. Silva, (Oahu)  
William A. Beard, (Hawaii)  
Tom L. Peterson, Deputy Attorney General  
Joseph Gedan, Deputy Attorney General  
Robt E. Bekeart, Executive Secretary

By Invitation

T. Irving Chang, Deputy Prosecuting Attorney, City and County of Honolulu  
Phil B. Thomas, representing Honolulu Board of Realtors

Deputy Attorney General Joseph Gedan was introduced to the Commission by Mr. Okaji who noted that Mr. Gedan will shortly start serving the Real Estate Commission as well as other regulatory boards and commissions as counsel.

Absent: Dorothy S. Ahrens, (Kauai) - excused  
William H. C. Young, (Oahu)- excused

There being no appointed representative for the County of Maui, the Chairman directed that this be noted in the proceedings.

Call to Order: There being a quorum, Mr. Palk, presiding as Chairman, called the meeting to order at 10:10 a.m.

Minutes: UPON MOTION, the Commission approved the minutes of June 9, 1966.  
Motion carried unanimously.

Financial Report: The report for the fiscal year ending June 30, 1966 was received and filed.

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

JUNE 20, 1966 EXAMINATION - Executive Secretary reported the following Examination Branch statistics on applicants appearing for examination:

	<u>Candidates Examined</u>	
	<u>Broker</u>	<u>Salesman</u>
County of Hawaii (Hilo)	6	11
County of Hawaii (Kona)	0	3
City and County of Honolulu	54	435
County of Maui	2	2
County of Kauai	0	3
Total Examined	62	454

The Executive Secretary presented EXHIBIT "A" showing the ranking of four hundred and fifty-four (454) 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 28, 1966 written examination:

<u>I.D. No.</u>	<u>Name</u>	<u>I.D. No.</u>	<u>Name</u>
93	ABE, Hiroshi	37	GUERRERO, Renie B.
148	AKAMINE, John K.	120	HANSON, Jerol N.
68	AKITA, Norman N.	195	HARADA, Richard T.
190	ALLISON, Mary N.	90	HARDY, Kazuko
109	ALMEIDA, George	65	HAYASHI, Minoru
63	AUWAE, William, Jr.	124	HEMMETER, Karen M.
169	BARRETT, Roy A.	156	HIGA, George J.
72	BAUMANN, Phyllis J.	89	HIGA, Janet T.
71	BERK, Alice G.	185	HIGA, Lawrence S.
81	BENTO, Jane M.	98	HIGBEE, Clayton C.
212	BOND, Anna D.	137	HO, Carolyn L.
214	BOND, Charles H.	207	HOFFHINE, Ernest W.
203	BORTLES, Larry L.	205	HULTEN, Katharina
210	BOYD, Janice W.	79	HUMMEL, Alexander F.
44	BUSTARD, June D.	96	HUMMEL, Judd C.
150	CAMERON, Eve J.	177	JACOBSEN, Geraldine L.
95	CAMPBELL, William J.	139	JAUS, Gordon
97	CHANG, Harold H. M.	232	JAVONILLO, Frank T.
104	CHANG, Robert F.	233	JAVONILLO, Herbert M.
60	CHANG, Ruby S.	189	KAAIHUE, Charles K.
69	CHING, Edmund H. F.	217	KAINA, Earl B.
168	CHOCK, Richard Y. S.	99	KAJIWARA, Yuki
206	CHONG, Kenneth D. H.	25	KAWAKAMI, Toru
155	CHONG, Marietta K.	47	KEKUNA, Constance C.
110	CHUN, Ernest S. M.	43	KILLION, Robert E.
182	CHUN, William C.	200	KISHINAMI, Tatsuaki
32	CLASON, Conrad H.	244	KRAUSE, Gerda H.
132	COCKETT, Robert J. K.	141	KUBOTA, Arthur N.
118	COLLINS, Florence K.	67	LAURILA, Urho O. A.
116	COLLINS, Roland W.	229	LEE, Lawrence Y. G.
184	CORREA, Douglas H.	191	LEE, Mervyn W.
40	CROSSETT, Willis A.	58	LEE, Samuel C. S.
64	DAVIS, Harriette M.	221	LEMBECK, Jay
108	DEACON, Evangeline G.	164	LEON, Ethel D.
228	DESAULNIERS, Eileen	123	LITTLER, James L., Jr.
198	DRESSEL, Valarie S.	264	LOO, Albert J. K.
103	FANNING, Harold A.	448	LUI, Joseph Y. M.
171	FLOYD, Allene W.	31	LIU, Paul E. S. F.
41	FRENCH, Ruth E.	362	LUM, Dorman P.
180	FUJII, Richard M.	292	LUM, Stephen J. S.
188	FUJIOKA, Harold H.	371	MATSUMURA, Kunji
46	GILLARD, Dorothy A.	403	MATSUOKA, Thomas T.
75	GIRTON, William W.	358	MECHAM, Karl G.
162	GREENAN, James C.	365	MORI, Benjamin T.
151	GRUBER, Harry	289	MUNENO, Antje R. M.
10	GUERINO, Cornelius J.	453	MURAMATSU, Jane

<u>I.D. No.</u>	<u>Name</u>	<u>I.D. No.</u>	<u>Name</u>
360	MURAMOTO, Wilfred K.	368	SUZUI, Robert M.
327	NAGAISHI, Robert M.	350	TACDERAN, Maura C.
369	NAKAGAWA, Nelson T.	300	TAJIMA, Paul J.
353	NAKANO, Judy T.	407	TAKAHASHI, Teney K.
428	NUDD, Harry C.	256	TAKUSHI, Henry
389	OGAMI, Yoshiho	379	TAM, Samuel G. S.
463	OHAMA, Toru	434	TANAKA, Gerald N.
464	OKAWA, Charles K.	455	TANAKA, Lydia S.
450	OKOUCHI, Richard S.	343	TAUM, Remigius M.
451	OTA, Lorna L. U.	299	TERAMOTO, Harry
418	PARKER, Stephen F.	324	TONG, Robert L. P.
342	PENEKU, Francis K.	383	TORMIS, Rufina I.
320	PETERSEN, Geraldine F.	315	TOUCHI, Norman A.
311	POCOCK, Margaret	333	TSANG, Yankee P.
285	PROVINE, Lloyd W.	293	TSUKAMOTO, Gary T.
366	PROCTOR, Raymond J.	372	TSUSHIMA, George K.
454	RAMES, Fred	354	UEUNTEN, Senyu
297	REGO, Victoria O.	312	VAN, Louise F.
408	SAKUMA, Gilbert T.	267	VITOUSER, Paige
275	SATO, Nancy S.	456	WATANABE, James Y.
412	SCHMELTZ, Marilyn	247	WONG, Benjamin K.
265	SCOTT, Sandra J.	251	WONG, Herbert K. J.
21	SEKI, Shuji	316	YAMADA, Shinichi
3	SERRAO, Alfred G.	409	YAMANOHA, Ernest H.
259	SHARP, Mary A.	430	YOSHIDA, Clifford Y. K., Sr.
323	SHEVLIN, Edward F.	382	YOSHIMURA, Herbert Y.
319	SHIDLER, Jay H., II	417	YOU, Larry K. S.
341	SILVER, James W., Jr.	340	YOUNG, Evan
457	SIU, Stanley Y. H.	338	ZANE, Reynold Y. H.
306	STEPHENSON, Bruce W.	162	GRANTHAM, Frederick W., III
262	STRIBLING, Evelyn		

Motion carried unanimously.

The Executive Secretary reported that the examination papers for the sixty-two broker applicants have not been graded.

Mr. Beard suggested the Commission acknowledge the cooperation of C. Brewer & Co., Ltd., in making their training facility in Hilo available for conducting the examinations.

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

There is no subdivision registration business carried over from the previous meeting.

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

##### REG. NO. 9 KAUAIAN HYATT HOUSE

The Chairman directed that this matter be re-scheduled to the afternoon portion of the agenda.

##### REG. NO. 142 KUHIOLOANI HOTEL-APARTMENT CONDOMINIUM Preliminary Report June 28, 1966

REG. NO. 143                      THE KONA SPORTSMAN (Hawaii)  
Preliminary Report              July 15, 1966

The above information on registrations carried over from the June 9, 1966 meeting was accepted by the Commission.

Investiga-  
tions:

RE-198 VIOLET C. KING - In order to conclude this matter, every effort is to be made to have the complainant, Mr. Diosdado Piligrino, appear before the Commission at the next meeting.

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

Instant Realty Service, Inc. (formerly a DBA)	Kaneo Kishimoto, RPB
Makiuchi Enterprises, Inc.	Peter J. Chun, RPB
Preferred Properties, Inc.	Calvin C. F. Lau, RPB
Lucile Bunn Realty, Ltd.	Lucile Bunn, RPB
Aloha Realty, Inc. (formerly Great Hawaiian Realty, Inc.)	Francis C. Ako, RPB

Partnerships

(None)

DBAs

James C. Lam	dba	TWIN TREE REALTY
U. S. Enterprises, Inc.	dba	U. S. REALTY (William K. Sing)
Clarence S. L. Tam	dba	LIAISON CALIFORNIA

Branch Offices

(none)

SUBDIVISIONS

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

MAKAKILO CITY - UNIT VII  
ENCHANTED LAKE ESTATES UNIT 4-B  
ENCHANTED HILL ESTATES UNIT 7  
KAILUA HEIGHTS UNIT 5-A  
KAILUA HEIGHTS UNIT 6-A  
HALAWA HILL ESTATES UNIT 4

Motion carried unanimously.

Registration statement has been received on the following out-of-state subdivision:

YUCCA VALLEY RANCHOS TRACT 7306 - Yucca Valley, San Bernardino County, California; 5D residential lots; Developer-Yucca Valley Properties (Robert Potter, 56471 Twenty-Nine Palms Highway, Yucca Valley, California); selling broker - C. Farden & Associates, 510 Piikoi Street, Honolulu.

Mr. Silva will examine the registration and present his findings and recommendations to the Commission.

Miscellaneous:

NARELLO WESTERN DISTRICT CONFERENCE

The Chairman attended the Western District Conference of NARELLO held at Reno, Nevada, on June 15-17, 1966, and reported on the highlights of the conference, as follows:

1. In the legislative area, Marion Voorhees, NARELLO President, reported that Congressional hearings were scheduled in the latter part of June on Senate Bill 2672 entitled "Installment Land Sales Act". This bill is designed to curb abuses in interstate sales of marginal lands and to provide full disclosure on land offerings to purchasers. The intent is to program the act under jurisdiction and enforcement of the SEC. President Voorhees noted concurrent efforts to draft similar bills by the National Conference of Commissioners of Uniform State Law (ABA) and by a NARELLO-NAREB committee appointed last May. The President further noted that differences of opinion exist as to what provisions should be included in these proposed bills and whether it would be desirable to have federal legislation versus adoption of a uniform law by all states on a voluntary basis. It was noted that federal preemption (with or without state supplementary requirements) would mean a single filing entitling the developer to sell in all states as contrasted with individual filings for each state. On the other hand, the creeping encroachment of the federal government into the states' domain plus the cost and delay involved in a federal filing was of paramount concern to those opposed to federal preemption.

The conferees were unanimous that NARELLO should assert its position and participate in all proposed legislation on the subject and to this end appropriate resolutions were adopted to review and comment on the final draft of the National Conference of Commissioners and to bring the matter before the NARELLO Annual Conference in November for an official position.

2. In the area of subdivision discussion, the Conference noted reports of the giveaway scheme involving "free" lots subject to closing cost payment, lot split sales, panic selling and the need to strengthen laws and administration in public disclosure and advertising. Some of the Western States have enacted legislation covering some of these practices.

3. The Conference noted that NARELLO can better serve its membership by implementing the "clearing house concept", perhaps starting with land subdivision information; better reporting of similar information through the NARELLO newspaper; conducting study of a uniform license law; and amendment of by-laws to provide better continuity for standing committees in handling projects extending over a period of time.
4. Under legal and professional conduct, the Conference noted continued abuse of the exceptions dealing with owner sale and power of attorney by developers, and savings and loan associations selling foreclosed properties. Some states have enacted legislation to plug loopholes while other states are programming appropriate legislative action.
5. The Conference discussion on education centered on the Education Committee's proposed model curriculum survey for recommendation to the national conference. The model curriculum would attempt to identify minimum education, examination, options for higher education and transition solutions such as high school diploma requirement for those born after a certain year.

The Chairman concluded his report by stating that Hawaii should be an active participant in the Western District and National Conferences; that the Commission's goal should be one of sending two (2) commissioners to each of the Conferences; that because of budget problems, the Administration could not finance the \$350 cost to send one Commission member and therefore the Chairman paid the air travel cost for his attendance with the understanding that the Administration would reimburse the conference fees and hotel accommodation totaling \$95.00; and that the Chairman was assured by Mr. Sidney Hashimoto, Director of the State Department of Regulatory Agencies, that full effort would be made to finance the cost of sending two (2) Commission members to the 38th Annual Conference to be held at the Hotel Deauville, Miami Beach, Florida, November 8-12, 1966.

#### OUT-OF-STATE LAND SALES

The rough, butcher-paper recapitulation of the Antelope Valley land sales problem is to be ready for the August 3, 1966 Legislative Workshop.

#### EDUCATION TASK FORCE

No report was made in regards to any developments, meetings or conclusions of this group. The Chairman will attempt to re-organize the Task Force and establish a program of future discussions with Honolulu Board of Realtors and University of Hawaii on specific goals and objectives as they relate to known and identified needs.

Recess: At 12:00 noon, the Chairman declared a recess for the noon meal.

Reconvene: The Chairman reconvened the meeting at 1:30 p.m. In addition to the Commission members present, the three attorneys, Mr. T. Irving Chang, Mr. Joe Gedan and Mr. Tom L. Peterson, were present.

The representatives of organized real estate industry were excused from this portion of the meeting.

REG. NO. 9, KAUAIAN HYATT HOUSE

The Chairman suggested that the discussion on the subject condominium development be treated in a confidential manner. He noted to Mr. Chang, Deputy Prosecutor, City and County of Honolulu, that the Commission's interest rests on the point that in arriving at his legal conclusion did the Prosecutor find that there was a violation of law present in the case.

The discussion led to a review of additional requirements that should be incorporated into the Horizontal Property Regimes registration and public report system. The commissioners agreed that hereafter there would have to be submitted, as part of the registration, satisfactory evidence of continuation of title search. The terms and conditions of the Master Lease, any assignment of the Lease, or sub-lease arrangements and the terms and conditions of the apartment lease would be stated, in clear language, in the Public Report.

In the matter of Evidence of Title, there was full agreement that each registration is to be checked to determine if there is a current Certificate of Title or Lien Letter submitted as part of the Documents Required section of the Notice of Intention.

The Chairman emphasized the Commission's concern as to its duty and responsibility to disclose accurate and current information on liens and encumbrances against land or the building constructed thereon.

The Commission directed the Executive Secretary to carefully scrutinize the proposed arrangement for depositing and disbursing buyers' funds. The executed Escrow Agreement requirement is considered to be the Commission's primary safeguard that depositors' funds will not be misappropriated or that defalcations might occur. The published report is to clearly show that the information in the Public Report was drawn from the Developer's Notice of Intention and related documents as of the date the project was filed with the Commission. It is the regulators' intent that all doubt is to be removed from the minds of those who read the report that the information and data published is current as at the date of the report.

The initials of the person preparing the draft of the Public Report for the commissioner's signature is to be shown.

The possibility of reworking the format of the Public Report forms was discussed. Mr. Peterson, Deputy Attorney General, will preliminarily work up a suggested guide or check list of items that must be in place at the time the registration is received.

In summary, the Commission strongly affirmed the tightening up of internal procedures with special emphasis on the examination of the registration material and exhibits. Further, the public reporting apparatus is to be strengthened in order to prevent a recurrence of alleged infractions or breaches as recognized in the KAUAIAN HYATT HOUSE project.

Investiga-  
tions:

RE-134 LIN SAN LAI - The Commission, having studied the investigation report, directed that this matter be set down for a formal hearing on Thursday, August 25, 1966. The Deputy Attorney General, Mr. Peterson, will be responsible for the procedural aspects and the assembling of all available evidence.

RE-219 C. S. CHUN & CO. - Having discussed the narrative portion of the report, the Commission directed that this matter be set down for a hearing August 25, 1966.

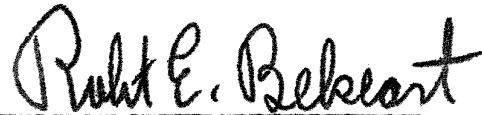
RE-220 MARGARET CROCKETT - Before taking action on this matter, the Commission directs that the complete investigation file, with referenced documents and exhibits, be forwarded to the Deputy Attorney General.

In concluding the proceedings, the Chairman spoke to the necessity of getting the Commission's 1967 Legislative Program launched early. To that end, he has asked Mr. Hashimoto, Director, Department of Regulatory Agencies, to participate in a Legislative Workshop at which time problems, concerns and legislative proposals could be thoroughly discussed. Mr. Hashimoto has consented to sit with the Commission and representatives of the organized real estate industry.

Tentatively, the Chairman has suggested that the commissioners hold themselves in readiness to meet at 3:00 a.m., in Honolulu, on Monday, August 8, 1966, at a site to be announced. If preliminary planning requirements call for an adjustment in the date, time or facility, the participants are to be advised when all arrangements become firm.

Date of Thursday, August 25, 1966, at 10:00 a.m., in Honolulu, Hawaii.  
Next  
Meeting:

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



ROBT E. BEKEART  
Executive Secretary

APPROVED BY THE COMMISSION:

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JACK K. PALK  
Chairman

REB:km  
8/26/66