

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

MINUTES OF MEETING

Date: Friday and Saturday, October 28-29, 1966

Place: Prince Kuhio Room - Waialeale Room
Kauai Surf Hotel, Lihue, Kauai
Hawaii

Present: Jack K. Palk, (Oahu) Chairman Takeo Yoneji, (Kauai)
Yukio Kashiva, (Oahu) Vice Chairman William H. C. Young, (Oahu)
Hiromu Yamanaka, (Hawaii)

Tom L. Peterson, Deputy Attorney General
Robt E. Bekeart, Executive Secretary

By Invitation:

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

Absent: Harold J. Silva, (Oahu) - excused

There being no appointed representative for the County of Maui,
the presiding officer noted this for the record.

Call to Order: There being a quorum, the Chairman called the meeting to order
at 10:35 a.m., in the Prince Kuhio Room, Kauai Surf Hotel.

Introduction of the audience was made by the Chairman. The
public officials and real estate licensees present were:

Mr. Toshio Kabutan, County Attorney
Kauai County

Mr. Kei Hirano, Deputy County Attorney
Kauai County

Mr. Thomas T. Yamasaki, Acting Director
County Planning Department
Kauai County

Mrs. Dorothy S. Ahrens, Principal Broker
Ahrens & Toulon

Mrs. Betsy K. Toulon, Salesman
Ahrens & Toulon

Mrs. Bernice S. Midkiff, Salesman
Ahrens & Toulon

Mrs. Grace M. Lawson, Salesman
Kauai Realty, Inc.

The Chairman welcomed those in attendance and noted that in programming its year's work, the Commission gives consideration, within the framework of intelligent budgeting and planning, to meeting with the members of the organized real estate industry by frequent field trips and public meetings. He urged those present to feel free to ask questions and lay before the Commission any problems regarding the administration of the licensing, subdivision or condominium laws.

The suggestion was offered that some thought be given to publishing a notice in the newspapers of widest circulation setting forth the Commission's calendar year examination schedule.

The licensees present believed that some publicity should be given to recent changes in the Commission's statutes or revisions to the Rules and Regulations. In order to provide accuracy and avoid rumor and misinformation, such important items as implementation and enforcement of RULE 1.8 RESTORATION OF FORFEITED LICENSE and RULE 2.2 EXAMINATION could be written up as a news story in the daily press for reading throughout the state.

The Chairman stated, that with the approach of the coming legislative session, it was necessary for the Commission to formulate its 1967 Legislative Program. He noted that a good start had been made and before the Kauai meeting is concluded, it is expected that the Commissioners, with their counsel present, would perfect much of the material already drawn. He gave a capsule report of intended and necessary changes under study to improve and strengthen the real estate laws.

The Commission's counsel, Mr. Peterson, Deputy Attorney General, spoke briefly on the objectives of the Commissioners on Uniform State Laws and the role the Hawaii delegation is playing in these national deliberations. He specifically touched on the formulation of the Uniform Land Sales Practices Act and the intention of various Attorneys General throughout the nation to introduce this Act to their legislative bodies in order to curb the ground swell developing nationally for a Federal proposal such as Senate Bill 2672.

The County Attorney, Mr. Kabutan, suggested that in amending the Horizontal Property Act, the Commission should work towards the requirement that purchase of apartments or units would have to be given clear-cut notice on the encumbrances or liens that are outstanding in a project they may be investing in with hard-earned savings. He also queried whether there was a requirement for informal syndicates, investment groups or huis purchasing land for condominium development to secure appropriate approval from a state or county agency.

At 11:35 a.m., the Chairman concluded the public meeting portion of the agenda with the invitation to all present that they are welcome to stay as the Commission handles its routine monthly business.

Minutes: UPON MOTION, the Commission approved the minutes of September 29, 1966 as circulated. Motion carried unanimously.

Financial Report: The report was to be routed to all members under the Executive Secretary's memorandum upon return to Honolulu.

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

LIN SAN LAI, Real Estate Broker #2366
 Report was made that the Findings of Fact, Conclusion, Decision and Order was signed by the Chairman on October 24, 1966 and delivered that same day to the respondent.

OCTOBER 25, 1966 EXAMINATION

Executive Secretary will forward the Examination Branch statistics on applicants appearing for examination. The figures are as follows:

| | <u>Candidates Examined</u> | |
|--------------------------------|----------------------------|-----------------|
| | <u>Broker</u> | <u>Salesman</u> |
| County of Hawaii (Hilo) | 4 | 4 |
| County of Hawaii (Kailua-Kona) | 0 | 4 |
| City and County of Honolulu | 56 | 301 |
| County of Kauai | 2 | 2 |
| County of Maui | 0 | 6 |
| TOTAL | 62 | 317 |

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

MILILANI ESTATES-The commissioners were apprised of the latest developments in the litigation started to encourage the registrant of the subdivision to cancel the use of the name Mililani Estates.

UPON MOTION, the Commission defers further action on this registration pending the outcome of the court proceedings. The developer is to be advised of commissioners' decision.

Motion carried unanimously.

The record is to reflect that the Chairman, Mr. Palk, abstained from participating in the discussion and voting on the motion.

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

The commissioners accepted the report on projects registered with the Commission pending the write-up of a Public Report.

| | |
|----------------------|---------|
| WAILUKU TOWN HOUSE | 6/23/66 |
| KAPIOLANI TERRACE | 3/23/66 |
| KAANAPALI SHORES III | 4/11/66 |
| KAAHUMANU TOWER | 7/12/66 |
| ISLAND FINANCE PLAZA | 7/27/66 |
| ACADEMY TOWER | 3/4/66 |
| WEST WIND | 3/12/66 |

Condominium Reports Published:

| | | |
|------------------------------|---|----------|
| REG. NO. 151 Final | KAHALA TOWERS 4300 Waiialae Avenue | 10/6/66 |
| REG. NO. 152 Final | CARLETTE SURF Honokawai, Lahaina, Maui | 10/12/66 |
| REG. NO. 153 Preliminary | SCANDIA TOWERS 155 Paoakalani Avenue | 10/13/66 |
| REG. NO. 154 Preliminary | KONA WHITE SANDS Alii Drive Kailua-Kona, Hawaii | 10/14/66 |
| REG. NO. 73 Supplementary | MAILE TOWER 1095 Spencer Street | 10/27/66 |
| REG. NO. 108 Final | ROYAL VISTA 1022 Prospect Street | 10/28/66 |
| REG. NO. 155 Preliminary | WAILUKU TOWN HOUSE 215C Main Street Wailuku, Maui | 10/14/66 |

Recess: At 11:45 a.m., the Chairman announced a one-hour break for the noon meal.

Reconvene: At 1:05 p.m., the Chairman reconvened the meeting in the Prince Kuhio Room.

Proposed Revision of Condominium Public Reports

The members examined and discussed the draft of a revised public report form as constructed by Deputy Attorney General Peterson on September 3, 1966, same having been submitted to the members earlier.

It was agreed that the Commission does not take a position on the preliminary draft. The staff will move ahead with a second draft of a revised condominium disclosure document.

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:

Corporation

BERGEVIN & NEVELS, LTD., Velva Bergevin, RPB
HAWAII UNITED INTERNATIONAL, INC., Patricia Davis, RPB

Partnerships

(None)

DBAs

Richard Dole dba Mainland Pacific Real Estate

Branch Offices

(None)

SUBDIVISIONS

UPON MOTION, the Commission accepts as completed the Subdivision Registration Statements on the following Hawaii subdivisions:

HAHAIONE VALLEY UNIT 2-A SUBDIVISION

Hawaii Kai, Maunaloa, Honolulu, Oahu; 25 lots.

MAKAO VALLEY SUBDIVISION - Hauula,

Honolulu, Oahu; 43 lots.

MOMILANI SUBURBS UNIT IV SUBDIVISION

Manana-Uka and Waimano, Honolulu, Oahu; 192 lots.

SUNSET HILLS SUBDIVISION - Pupukea,

Honolulu, Oahu; 73 lots.

MANANA UKA SUBDIVISION - Waiawa,

Manana, Honolulu, Oahu; 75 lots.

Motion carried unanimously.

UPON MOTION, the Commission accepts as completed the Subdivision Registration Statement on the following out-of-state offering:

THE SEA RANCH UNIT NO. 10 SUBDIVISION

Northwest Corner of Sonoma County, California; 18 lots;
registrant-Oceanic Properties, Inc.,
(Jack K. Palk, Vice President, 401 Kamakee Street,
Honolulu, Hawaii); selling broker in Hawaii-Oceanic
Properties, Inc.

Motion carried unanimously.

CONDOMINIUMS

Registrations submitted since last meeting, September 29, 1966:

HILLCREST CONDOMINIUM

VICTORIA PLAZA CONDOMINIUM

INVESTIGATIONS

RE-218 I. WALTER FURUYA - Staff will continue to process this from an investigative standpoint in order to solicit the Commission's consideration as to whether there is to be a formal hearing or not.

RE-219 C. S. CHUN & CO. - On the advice of the Deputy Attorney General, Mr. Peterson, the Commission accepts the suggestion that the staff will expand its investigation in this matter.

RE-226 KONA GARDEN ESTATES - The Executive Secretary reports that this offering is now processing papers for a required registration. The staff is to check reasonably recent notice in the KONA TORCH publication to determine if the subdivider is still promoting this Kau District land.

RE-221 MOILIILI GARDENS UNIT 2 - The investigation and complaint file is to be forwarded to the Office of the Attorney General to determine if there are violations of licensing or condominium statutes.

RE-225 ROGUE PERALTA - Executive Secretary will review the file, examine the investigation report and exhibits for forwarding to the Attorney General. A report will be expected at the next meeting on the advisability of setting this complaint down for a hearing.

RE-227 ROGUE PERALTA - Same procedure as above in RE-225.

RE-230 K & H, INCORPORATED - The members studied the narrative of the investigation report and concluded that the respondent had made reasonable efforts to sell the listed property, that the matter of determining what amount of loss the complainant might have suffered is not within the purview of the Commission; unless there is an element of fraud present. In this transaction, on the facts presented in the investigation report, there appears to be no trace of fraudulent conduct or operations by the respondent.

The complainant is to be advised of the Commission's decision in this complaint.

KAHANA REALTY - Mr. Yamanaka reported that this licensee is still conducting a desk operation at the main level of the Marlin Plaza complex in Kailua, Kona. It was agreed that this infraction, following up an earlier memorandum statement to the broker, will be referred to the West Hawaii Investigator for a current report.

UNIFORM LAND SALES ACT - For the November 22, 1966 meeting, the Chairman suggested that the members review the draft and come to the meeting prepared to discuss the proposal. He asked that the commissioners set their observations and comments down in writing.

Mr. Peterson will prepare a set of commentary remarks on the Act to assist the Commission in its deliberation.

1967 LEGISLATIVE PROGRAM - Using the September 28, 1966 draft of proposals developed at the Legislative Workshop of August 15, 1966, the members and staff proceeded with an extensive

examination and discussion of proposed legislative enactments to improve the licensing, subdivision and condominium statutes.

Recess: At 6:15 p.m., the Chairman declared a recess for the evening meal.

Reconvene: At 9:00 p.m., the commissioners and staff reconvened in the Waialeale Room for continued work on the legislative program.

Recess: At 11:10 p.m., the Chairman recessed the legislative workshop. He suggested that the Field Inspection portion of the program be underway at about 9:15 a.m., Saturday.

Reconvene: At 9:30 a.m., the inspection party of Messrs. Kashiwa, Young, Yoneji, Yamanaka, in company with the Executive Secretary and Kauai Investigator Masatoshi Nonaka, proceeded on the field trip to inspect the status of the four (4) following condominium projects:

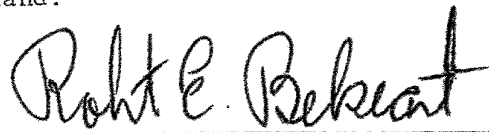
- | | |
|-------------|---------------------|
| REG. NO. 9 | KAUAIAN HYATT HOUSE |
| REG. NO. 24 | PRINCE KUHIO |
| REG. NO. 37 | KE AEKAI |
| REG. NO. 98 | BLUEWATER LODGE |

At 12:15 p.m., the field inspection party returned to the Kauai Surf Hotel for the noon meal and to make preparations for return to their respective counties.

Date of

Next Meeting: Tuesday, November 22, 1966, at 10:00 a.m., in Honolulu.

Adjournment: The Commission concluded its County of Kauai meeting at 2:30 p.m. and departed the Garden Island.



ROBT E. BEKEART
Executive Secretary

APPROVED BY COMMISSION:

JACK K. PALK
Chairman

REB:km
11/22/66