

Mr. Sodetani, on behalf of the Valley Isle, welcomed the Commission to Maui and extended appreciation on behalf of the real estate industry for the opportunity to meet with the regulators. Those present were given copies of the agenda and the previous meeting's minutes on a loan basis in order to follow the proceedings. Mr. Palk re-assumed the Chair and made general remarks on the Commission's program and objectives to meet occasionally with industry leaders in each of the neighboring island counties. The purpose of the public meeting today was to review the Commission's 1967 Legislative Program and solicit comments and observations from those in attendance on further improvements to the Commission's administration of the real estate law. The Chairman gave a capsule report on the reasons behind seeking passage of the Real Estate Recovery Fund Act and the passage of amendments to further streamline and strengthen the condominium law. He reviewed the background of the Uniform Land Sales Practices Act and noted that the registration of subdivided lands, formerly a Commission responsibility, is now to be administered by the Director of the Department of Regulatory Agencies.

Minutes: Upon motion, the Commission approved the minutes of Tuesday, August 29, 1967, as circulated. Motion carried unanimously.

Financial Statement: The Commission accepted and filed the Statement of Revenues Collected by the Real Estate Commission for the fiscal year ending June 30, 1967.

Business Out of Minutes: LICENSING (Sec. 170-1. through 170-24.)

Roy A. Craw, Jr. - The Commission accepted the report that the sponsor/employing broker, Peter T. McGovern (Hawaiian Properties, Ltd), had filed a letter requesting to be released from the July 11, 1967 contract he signed agreeing to properly train, supervise and control licensee Roy A. Craw, Jr., if he was reinstated. The Executive Secretary reported that Mr. Craw had been apprised of Mr. McGovern's recent action and as he is gainfully employed in a field other than real estate he was acceptable to the suggestion that his real estate salesman license, RS-4163, remain in the custody of the Commission.

Arnold Inaba - The Commission accepted the report that his real estate broker license has been reissued to Trustco Realty, Inc. The Principal Broker of that agency, Cullen K. M. Chee, was satisfied after making inquiry to the Executive Secretary on Mr. Inaba's past conduct and the present status of his license.

Recess: At 3:30 p.m. the Chairman declared the public portion of the meeting concluded.

During the recess the Commission reviewed the status of the Lahaina Roads condominium public report. In the presence of the Developer, Mr. Max H. Maude (AmCan Development Co., Inc.) and the selling broker, Erling P. Wick, the Chairman signed Preliminary Public Report, Registration No. 176, on Lahaina Roads. Copies of the report were made available to all participants of the conference.

Reconvene: At 3:45 p.m., the Chairman reconvened the meeting.

CONDOMINIUMS (Sec. 170A-1 through 170A-46.)

The Executive Secretary presented the status table below on Horizontal Property Act registrations.

<u>Project</u>	<u>Registered</u>	<u>Preliminary</u>	<u>Final</u>	<u>Supplementary</u>
The Palms No. 112	10/19/65	None	12/10/65	Pending †
Windward Villa No. 11 No. 132	10/24/65	None	None	Pending *
Ala Kimo	5/9/67	None	Pending †	
Koko Isle Reg. 174	6/30/67	9/5/67		
Mokuleia Surf and Sand, Parcel I	6/28/67	None	Pending †	
Hale Pau Hana Reg. No. 175	7/20/67	9/15/67		
Lahaina Roads Reg. No. 176	7/26/67	9/22/67		
Kapiolani Towers	7/31/67	None	Pending *	
Kailua Village	8/21/67	Pending *		
Wailuku Townhouse No. 155	6/23/67	10/26/66	Pending †	
Bali Hai Cottage Colony	9/5/67	Pending *		
American Savings & Loan Association Building	9/21/67	None	Pending *	
Kalakaua Sands	9/21/67	Pending *		

LEGEND: * denotes waiting examination and write-up of report.
 † denotes waiting on Developer for fulfilling requirement or requirements.

Investiga-
tions:

RE-226 KONA GARDEN ESTATES SUBDIVISION

Commission accepted the oral report on the recent complaint and correspondence of Harold Jones, P. O. Box 162, Cloride, Arizona, in which he alleges the subdivider, Carl C. Adair, has acted fraudulantly in modifying documents related to the complainant's purchase of land in this Kau District offering. It was noted that Arizona Real Estate Commissioner J. Fred Talley and Hawaii's Attorney General were reviewing Mr. Jones' charges. Acceptance to be deferred.

RE-231 ARNOLD IIHABA

This matter was presented under the LICENSING part of the agenda.

RE-237 WAIMALU TERRACE CONDOMINIUM

No further report has been received from Mr. Donald K. Iwai, Attorney for Y. Hata & Company Ltd., and Better-Built Hawaii, Ltd., Developers of this condominium project who have been instructed to advise the Commission on intention to change the plan or set up as stated earlier.

RE-241 EDWARD J. BOSSING and HAWAIIAN OCEAN VIEW ESTATES

The file has been forwarded to the Attorney General, with a copy of the power of attorney under which various representatives of Hawaiian Ocean View Estates operate, stating that the Commission sees this as a violation of Chapter 170 and requesting the Attorney General to assist in preparing the case for prosecution.

RE-242 KARL ENDREY and HAWAIIAN OCEAN VIEW ESTATES

The case being similar to the one immediately above will be forwarded to the Attorney General requesting that it also be prosecuted.

RE-210 MORRIS MOCHIE (aka HYMAN GALEA) and HAWAIIAN OCEAN VIEW ESTATES

This case is similar to the two immediately above, but the representative holds out to the prospective purchaser that as a principal it is not necessary for him to become licensed in order to offer these Kau Districts lands for sale.

RE-250 CHARLES GALEH

A supplemental investigation report is being worked up by the Investigation Branch. The Executive Secretary, having sat in on a recently conducted conference where both the complainants and the respondents were heard separately in an effort to establish a specific charge of misrepresentation, reports that it appears impossible to establish a clear-cut violation, but the conduct of the respondent throughout the transaction is unwarranted from a position of his experience, demonstrated knowledge and lack of professional qualities.

RE-260 CONNIE WIEDEMAN, INC.

Closed.

RE-261 EDWARD SATO

The respondent is to be advised by letter that the Commission sees his handling of the purchasers' deposit funds as not satisfactory against standard and accepted fiduciary procedures. Even if the amount was small, the licensee should have been more attentive to his responsibilities, he has a duty to be responsive in negotiations where a refund is warranted.

Recess: At 4:15 p.m., the Chairman declared a recess, suggesting that the Commission reconvene later in the evening at a place to be announced.

Following the conclusion of the afternoon portion of the program, the Chairman and Executive Secretary conferred with Meyer Ueoka, Attorney for Developer's of WAILUKU TOWN HOUSE - REGISTRATION No. 155. The Chairman expressed concern that certain facets of the financing program were not clear and the matter of how the Bank of Hawaii mortgage was to be satisfied should be developed with specificness if the Final Public Report is to issue. Counsel acknowledged the Chairman's observations and agreed to the suggested course of action to clear up uncertainties in the financing package and the provision for partial releases of apartments as required by statute.

Reconvene: At 6:00 p.m., the Chairman reconvened the meeting in his accommodations.

Investigations:

RE-263 LUCIE D. ANDERSON

The respondent is to be advised in writing, with a copy of the letter forwarded to the complainants, that the Commission is disappointed in her failure to demonstrate competency in the handling of this matter. The commissioners expect the respondent to be more responsive and hope that the Commission will not have to hear or act on any similar case in which she may be involved.

The employing broker, Maui Realty Co., will also receive a copy of the Commission's letter admonishing this salesman.

RE-264 VIOLET C. KING

The Commission agreed that this matter is to be set down for a hearing to determine why disciplinary action should not be taken against the licensee. Mr. Sodehani has the assignment of Hearing Officer and the commissioners supported the suggestion that Mr. Yamanaka assist Mr. Sodehani in an understudy capacity in order to prepare and train the Hawaii County member for future Hearing Officer duties.

New Business:

LICENSING

NEW CORPORATIONS, PARTNERSHIPS, DBAs and BRANCH OFFICES

Corporations

Gene Duvauchelle, Inc.,
dba Friendly Isle Realty
Coral Realty, Ltd.

Principal Broker

Shozo Kajiwara, RPB

Allen A. Steward, RPB

Partnerships

None

DBAs

Kenny Young, Realtor	- Kenneth H. Young dba
Tower Realty	- George A. K. Pang dba
Diamond Head Housing	- Kenneth W. Harris dba
Johnson Associates, Realtors	- J. Allen Johnson dba
Royal Realty	- Paul A. Schattauer dba

Branch Offices

Corbett-Tharp, Inc., dba Hawaii Homes
 Robert J. Prosser, Realty, Inc.
 Great Hawaiian Realty, Inc.
 (Temporary 9/1-3/67 only)

Broker In Charge

Hisao Nagahisa
 Robert J. Prosser
 Edwin H. Shiroma

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

Motion carried unanimously.

CONDOMINIUM LAW ADMINISTRATION/ENFORCEMENT

A survey should be made to determine the status of all horizontal property regimes projects registered with the Commission on which public reports have been issued. The investigation's threefold objective is:

FIRST: to establish a program to identify and separated completed projects from those registrations that have been abandoned or withdrawn from the operation of Chapter 170A, R.L.H.;

SECOND: to establish a program of communications with those developers that have not been in touch with the Commission in order to determine whether their project may be classified as either active or inactive;

THIRD: to identify those projects that have been abandoned or legally withdrawn from the statute and encourage the developers to give the Commission notice in writing that the project, originally cast as a condominium development is no longer to be considered such.

The Executive Secretary, in furtherance of the Commission's 1967 Legislative Program, will develop a set of instructions that is to be considered a pattern for developers to follow in submitting documents, exhibits and related matter as part of the registration. The objective would be to have a set of guidelines that could be followed as a developer seeks issuance of any one of the three categories of reports the Commission issues.

Consideration should be given to reviewing existing Condominium Rules and Regulations to determine if there is a need to strengthen and improve same by a program of study and planned revisions, changes or modifications.

RULES AND REGULATIONS

The Chairman sees a definite need to re-evaluate the Commission's Rules and Regulations over licensees. In light of the dynamic changes in the state's economic growth, he believes the regulators should look carefully at statute and regulations to see that they are applicable. In the area of the supervising and control of licensees and offices in the neighboring islands, he believes that caution should be exercised to see that rules for urban operations are applied to rural or outer county conditions unless a specific need has been shown that such a regulation is necessary.

Mr. Sodehani and Mr. Yamanaka will serve as the Rules and Regulations Task Force; they will initiate a survey or sampling of brokers in the Counties of Hawaii and Maui to determine interest areas that are of concern to these practitioners.

PROFESSIONALISM

In reviewing accomplishments before the recently adjourned 1967 Legislature, the Chairman emphasized that Hawaii's real estate industry shares the same objective as others throughout the nation in striving for status of a profession. He stressed that the Commission should examine the program of educational opportunities available in the University of Hawaii curriculum. It should be feasible for a salesman applicant to enroll in a collegiate course with the incentive that the initial real estate licensing examination would be waived for one who qualifies in a course or series of courses of a higher accredited institution. Any such program would require collaboration with organized real estate industry, and the academic authorities. Funds to become available from the investment income of the Real Estate Recovery Fund should be earmarked for research and education to initiate and execute a well-rounded program towards the attainment of ultimate professional status. Required and appropriate liaison with the University of Hawaii, and other accredited institutions, would allow for the setting up of a foundation or base to bring educational and training opportunities to the neighboring islands through the expanding Community College apparatus.

As a further incentive feature, the Commission might consider a program of recognition whereby applicants who qualify with exceptionally high scores could be singled out for public award or industry honor.

LAY MEMBER REPRESENTATION ON COMMISSION

In light of a recent legislative proposal to change the make-up of the membership of Boards and Commissions, the members reviewed Sec. 170-3, R.L.H. Commission, appointments, qualifications, tenure. The Chairman was of the opinion that it is healthy to

have some lay representation on the regulatory bodies. The members agreed that there is flexibility in the law for the Governor to appoint a non-licensee to fill the vacancy for the County of Kauai. A letter should be forwarded the Governor requesting that a Kauai representative be commissioned, noting that the required number of brokers are now serving.

Recess: At 7:50 p.m., the Chairman declared a recess for the night. The Commission is to reconvene at 8:30 a.m., Saturday, September 23, 1967, with the planned field inspection and West Maui meeting.

Reconvene: At 8:30 a.m. the Commission departed the Maui Palms Hotel for an inspection of East Maui and Central Maui real estate projects. Goro Morioka, Investigator, County of Maui, accompanied the commissioners.

In Wailuku the following condominium projects were inspected:

100 WELLS-KANOA BUILDING
WAILUKU TOWN HOUSE
ISLAND FINANCE PLAZA

At 9:45 a.m. the party separated into two groups. Messrs. Palk, Yamanaka, Sodehani, Silva and Kashiwa travelled the windward section of Maui, inspecting land developments at Waiehu, Waihee to Kapuna. Messrs Young and Bekeart proceeded to inspect the following projects in the Makena-Maalaea area:

THE KIHEI SANDS
HALE O NA LANI
HALE KAI O' KIHEI
HALE PAU IANA
MAUI MEADOWS SUBDIVISION

In the West Maui area the inspection party visited the following projects:

INTERNATIONAL COLONY CLUB NO. 1
MAUI SANDS
INTERNATIONAL COLONY CLUB NO. 2
IAHATUA ROADS

Upon arrival at the Maui Hilton Hotel for overnight accommodations, the Commission's party met at a planned luncheon meeting with West Maui developers and licensees.

The expected registration of the MAUI ELDORADO CONDOMINIUM project was discussed, and Mr. Young expressed the Commission's appreciation for the noon-day program.

The Executive Secretary inspected the following West Maui projects in the Kaanapali to Honolua coastline.

ALAELOA	HONOKEANA COVE
MAUI SANDS	MAUI SANDS UNIT II
NAPILI SHORES HOTEL	CARLETTE SURF
HALE KAAANAPALI	HALE KAI II
HALE KAI	

At 6:00 p.m. the Commission reassembled, meeting in the Chairman's suite, Room 222 of the Maui Hilton Hotel (HALE KAAANAPALI).

39TH ANNUAL NARELLO CONFERENCE

The Chairman suggested that the record show that each member of the Commission is encouraged to attend the Albuquerque, New Mexico, meeting. Vice Chairman Kashiwa has the authority to represent Hawaii in all business at the conference. As Chairman Palk and Mr. Silva are considering attendance, a memorandum will be forwarded the Administration requesting payment of per diem and conference registration fee for these two additional representatives.

The Commission shouldered Mr. Kashiwa with the responsibility of determining what progress is reported in the matter of reciprocal agreements between states. Of particular interest is the degree of exchange between jurisdictions on the subject of educational standards required for licensing. Hawaii supports the program and objectives of the Association which includes careful study to determine the need for full reciprocity between the states and provinces.

Vice Chairman Kashiwa will have the additional responsibility of discussing with representatives of other states the status of the uniform land sales law as supported by the Commissioners on Uniform State Laws, American Bar Association. He is to determine what positions have been taken by commissions where the uniform land sales law has been proposed in different states. An accounting of how many states have enacted legislation similar to Hawaii's Uniform Land Sales Practices Act should be in Mr. Kashiwa's report along with comments and observations on experiences by those states that have this uniform law.

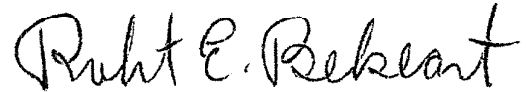
As a further assignment, Mr. Kashiwa will travel to Las Vegas and make a field inspection of two subdivisions registered under ACT 154 which have been brought to the Commission's attention by Nevada Real Estate Commission. Chief Investigator Glen Sayles, of the Nevada agency has volunteered to assist Hawaii in further examination of the EAST LAS VEGAS and VEGAS MANOR project. Authority for Mr. Kashiwa to make this inspection will be requested of the Administration.

Date of
Next
Meeting:

Tuesday, October 24, 1967, City and County of Honolulu at
10:00 a.m.

Adjournment:

There being no further business to transact, the Chairman declared
the meeting adjourned at 8:00 p.m.



ROBT E. BEKEART, Executive Secretary

REB:sw
10/24/67