

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

MINUTES OF MEETING

Date: Thursday, January 18, 1968

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

Present: Jack K. Palk (Oahu) Chairman Harold J. Silva (Oahu)
Yukio Kashiwa (Oahu) Vice Chairman Hiromu Yamanaka (Hawaii)
Irving A. Jenkins (Kauai) William H. C. Young (Oahu)
Douglas R. Sodehani (Maui)

James H. S. Choi, Deputy Attorney General
Robt E. Bekeart, Executive Secretary

By Invitation

Wesley F. Charlton, representing Real Estate Association of Hawaii
Michael T. McCormack, representing Honolulu Board of Realtors

Absent: (None)

Call to Order: There being a quorum, Mr. Palk, in the chair, called the meeting to order at 10:15 a.m. The Chairman introduced Mr. Jenkins, noting his recent commissioning December 19, 1967, and extended the newly appointed representative of the County of Kauai the greetings of the Commission.

The Chairman also extended greetings on behalf of the commissioners to Mr. McCormack who is to serve in a liaison capacity for the Honolulu Board of Realtors.

Minutes: UPON MOTION, the Commission approved the minutes of Tuesday, November 28, 1967, as circulated.

Motion carried unanimously.

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

November 17, 1967 Examination

Executive Secretary presented the Examination Branch statistics on applicants appearing for examination.

	<u>Examinees</u>	
	<u>Broker</u>	<u>Salesman</u>
County of Hawaii (Hilo)	1	44
County of Hawaii (Kailua-Kona)	3	9
City and County of Honolulu	72	389
County of Kauai	-	6
County of Maui	2	-
TOTAL	78	448

The Executive Secretary presented EXHIBIT "A" showing the ranking of seventy-eight (78) applicants for a real estate broker license.

UPON MOTION, the Commission ruled that the following twenty-four (24) applicants for real estate broker license were found qualified in the November 17, 1967 written examination.

(See first attachment.)

Motion carried unanimously.

The Executive Secretary presented EXHIBIT "B" showing the ranking of four hundred and forty-eight applicants for real estate salesman license.

UPON MOTION, the Commission ruled that the following one hundred and seventy-five (175) applicants for real estate salesman license were found qualified in the November 17, 1967 written examination.

(See second attachment.)

Note 1: In considering the investigation report, RE-275 later in the proceedings, the Commission found Mrs. Eileen Wilhelm, I.D. #515 qualified in the November 17, 1967 written examination for real estate broker license.

Note 2: The Executive Secretary reported that due to an error Jane S. Hirokawa, I.D. #107, a successful candidate for licensure, was omitted on the Successful Candidate Roster and on EXHIBIT "B" the applicant was identified as a failing candidate. Her corrected score is 97 points (19/20 = Listing/DROA sections). The Commission found her qualified in the November 17, 1967 written examination for real estate salesman license.

Renewal of 1968 Licenses

The Executive Secretary presented the following Licensing Branch statistics on real estate broker and real estate salesman license renewed as of January 18, 1968:

<u>Broker</u>	<u>Salesman</u>
1,359	2,248

TOTAL: 3,607

The Licensing Administrator's December 8, 1967 notice to real estate brokers and salesmen on license renewal requirements was noted.

Real Estate Recovery Fund

The letter of Mr. Palk, Chairman, to Mr. Andrew T. F. Ing, Director, Department of Budget and Finance, on implementing the Recovery Fund was discussed.

The Licensing Administrator reported that as of January 17, 1968 the sum of \$69,636 had been deposited in the Recovery Fund.

The Commission established the calendar year 1968 examination schedule as follows:

<u>Deadline</u>	<u>Date of Tests</u>
February 5, 1968	March 5, 1968
June 3, 1968	July 2, 1968
October 21, 1968	November 19, 1968

CONDOMINIUM (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>	<u>Current</u>
Windward Villa II Reg. 132	10/24/65	None	4/18/66	Pending*	6/9/67
3056 Kalakaua	8/9/66	None	9/26/66	12/29/67	
Mokuleia Surf and Sand, Parcel I Reg. 183	6/28/67	None	12/27/67		
Kalakaua Sands Reg. 184	9/21/67	None	12/29/67		
Kapiolani Hale	10/2/67	-	Pending [†]		
Prospect Tower Apartment	10/20/67	Pending [†]			
La Pietra Reg. 185	10/26/67	1/11/68			
Ala Wailani Reg. 186	10/20/67	-	1/15/68		
Niihau Apartments	11/3/67	-	Pending*		

(Cont'd.)

<u>Project</u>	<u>Registered</u>	<u>Preliminary</u>	<u>Final</u>	<u>Supplementary</u>	<u>Current</u>
Honokeana Cove Reg. 124	11/29/65	None	3/11/66	Pending*	1/10/68
Koko Isle Reg. 174	6/30/67	9/5/67	11/17/67	Pending*	1/12/68
Kailua Village Reg. 178	8/21/67	9/21/67	None	Pending*	12/21/68
Maui Sands II	12/6/67	None	Pending*		
Mokuleia Resorts-Lowena	1/12/68	Pending/			
Diamond Head Lanai	1/12/68	Pending/			

LEGEND: *denotes waiting examination and write up report
/denotes Developer's responsibility to meet requirements
current-date of Developer's latest communication

John P. Russell, Attorney letter of December 8, 1967

The Chairman reviewed the background of his discussions with Mr. Russell of the law firm Anderson, Wrenn and Jenks, and observed that it's a legitimate concern of the mortgagees that they know where they stand, under the Horizontal Property Act, when a condominium sale might be voidable.

Chairman suggested that as Mr. Russell was close to the technical side of the problem he encourage counsel to prepare a proposed amendment to Sec. 170A-39.2 which could be presented to the Attorney General and made ready for introduction to the 1968 Budget Session.

The proposed bill for an act as drawn by Mr. Russell is to be presented in proper form for introduction, through channels, as an administration endorsed amendment.

A check was to be made to see if there is a possibility of getting this proposal before Representative George W. T. Loo, Chairman, Committee on Housing and Consumer Protection, who is presently conducting interim public hearings.

A panel of attorneys and representatives of lending and financial institutions should also be alerted to the Commission's proposed efforts in amending Chapter 170A, R.L.H.

New Business:LICENSINGNew Corporations, Partnerships, DBAs and Branch OfficesCorporation

Kats Ohama, Ltd.

Land Research & Investments
Co., Inc.

Amalgamated Land, Inc.

Stark Enterprises, Ltd.

Menefee & Jacobsen, Inc.

Principal Broker

Katsumi Ohama, RPB

Peter A. Aduja, RPB

Hans A. Keller, RPB

Jean M. Stark, RPB

Erik L. Jacobsen, RPB

DBAsFrancis A. Wong & Associates
Rothwell Realty

Kaneohe Realty

Len Paresa Real Estate

Superior Homes Realty

Francis A. Wong, dba

D'Arcy G. Rothwell, dba

George W. Clarke, dba

Leonard P. Paresa, dba

Michio Shintanishi, dba

Partnerships

(None)

Branch Offices

(None)

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

Motion carried unanimously.

Investigations:RE-237 WAIMALU TERRACE CONDOMINIUM

Deputy Attorney General Choi advised the commissioners that he had done exploratory research on the matter and at this time he is not in a position to make a written expression. He states that technical problems have been raised which require further study. The Commission agreed to defer this matter to the next meeting.

RE-264 VIOLET C. KING

The Hearing Officers, Mr. Sodegami and Mr. Yamanaka, having agreed and prepared a draft of their Findings of Fact, Conclusions of Law, and Recommendation, suggest that the paper be forwarded to Deputy Attorney General Choi for review. The Commission so ordered.

RE-265 BEN E. AYSON

The Executive Secretary reported on two separate overtures he has made to the respondent to try to affect a settlement of this problem. The Commission agreed that the broker be invited to appear at the next meeting. The respondent is to be advised that because the possibility exists that there is a violation the Commission has a responsibility to take action.

RE-266 F.G.F. INVESTMENT

The Executive Secretary is to follow through under earlier instructions and request an opinion of the Attorney General on whether officers in this corporation are in violation when offering the corporate land holdings for sale without being qualified as licensees.

The Commission seeks to determine whether there is a violation when an individual, having bought a large number of lots obviously for resale to the public, claims shelter under the owner exception provision of the licensing statute.

RE-268 BEN KONG

On the basis of the facts and information presented in the investigation report, the Commission sees no violation. The complainant is to be advised accordingly.

RE-269 MARK-CROSETTI, INC.

The complainant is to be advised of recent developments as reported by the Developer and verified by Attorney Douglas Prior. If the purchaser receives no satisfaction within thirty (30) days, he should so advise the Commission.

RE-271 LEO MANOL and DORIS RICHARDSON

The commissioners, having had an opportunity to read the addendum information transmitted by the respondent, stand by their initial decision that the broker is to be admonished, in writing for unprofessional conduct. The Charles A. K. Akana communication of December 4, 1967, merely confirms the Investigator's findings.

RE-273 FRANK JAVA (aka FRANK JALLA)

On the basis of respondent's admittance of the breach and his expressed intention that he did not try to deceive anyone, the Commission takes no action.

RE-275 MRS. EILEEN WILHELM and CLARK V. ALWORTH

The Commission's decision is that the respondent Mr. Alworth, applicant in the November 17, 1967 written test for broker, is to be advised that the record stands that on re-examination he failed to qualify.

RE-277 HEINZ-GUENTHER PINK

The commissioners, on hearing the contents of the complainant's letter, believe that there was some discussion, in the course of the transaction, on changing the rate of interest; but as indicated in the investigation report, the matter may not have been pinned down conclusively. As the matter is now in litigation, the Commission will permit the legal apparatus to function, the the respondent is to be advised of any infraction or violation on the basis of information in the report after the attorney's action has been concluded. The complainant is to be advised that the Commission's jurisdiction is over the licensed operator, and the complaint appears to be more of a matter for civil action.

Recess:

The Chairman declared a recess of 12:00 noon, with instructions to reconvene at 1:30 p.m.

Mr. Kashiwa, Vice Chairman, and Mr. Choi, Deputy Attorney General, were excused from the remainder of the proceedings.

Reconvened:

The Chairman reconvened the meeting at 1:45 p.m.

Miscellaneous:

39TH ANNUAL NARELLO CONFERENCE

The Commission will expect Mr. Kashiwa, delegate to the Albuquerque, New Mexico, conference to present his report at the next meeting.

It is to be noted that the Association's schedule of meetings for the next two calendar years is as follows:

1968 40th ANNUAL NARELLO CONFERENCE
St. Paul, Minnesota

1969 41st ANNUAL NARELLO CONFERENCE
San Francisco, California

EDUCATION TASK FORCE

Chairman Palk presented background information on the Commission's efforts over the past ten years to seek greater involvement in educational programs to raise professional standards of licensees by working with industry leaders and academic officials. Attempts have been made to establish goals for a real estate research and education program. He concluded that the search for an acceptable solution or formula has been before the regulators for many years.

Mr. Sodetani, Chairman of the Commission's Education Task Force, outlined the purpose of tomorrow's organizational meeting.

On Mr. Sodetani's suggestion the Chairman asked Mr. Jenkins if he would be willing to serve on the Task Force representing the County of Kauai. Mr. Jenkins acceded to the suggestion, volunteering to participate.

It was agreed that the objectives of this Education Task Force should be attainable--there should be several achievable targets, but not too many. Flexibility should be the keynote while the initial phases of a program are explored in order to permit the Commission to gain experience while the interest from recovery fund investments build up.

Mr. Yamanaka inquired of what staff support he can expect in his capacity of a member of NARELLO Western District Committee on Examination Stockpiling and Distribution.

1968 Budget Session, Fourth Legislature

The proposal for an amendment to section 170A-39.2, as presented by Attorney Russell will be processed for channeling through the Administration in order to meet the Legislature's urgency requirement.

Supervision and Control

Mr. Yamanaka spoke on conditions as they are now being reported in the County of Hawaii. He noted the Commission's position earlier when past incidents, such as the Basque Investigation were brought to the attention of the members.

The question was raised in the discussion as to whether there is harm in an unsupervised salesman moving between the areas of West Hawaii and East Hawaii. In the Kona area, already rampant with unlicensed activity of alarming proportions, this is a separate and distinct problem.

The commissioners suggested that Mr. Yamanaka discuss the matter at issue with the Kailua-Kona brokers, if the majority of industry leaders in the County of Hawaii feel that a certain arrangement should be recommended then the Commission could be advised of this position in writing.

The Chairman believes that the Commission should not arbitrarily establish boundaries along geographical lines, rather it is hoped that the licensees in the immediate region should study the problem carefully and present recommendation to this regulatory body.

Neighboring Island Commission Meetings

On invitation the Licensing Administrator, Mr. Okaji, appeared to review the problems the Division faces in getting additional funds for either out-of-state travel or in state movement of boards or commissions. He agreed to support the Commission's request for a two-day trip to the County of Hawaii in April, 1968.

Commissioner J. Fred Talley, State of Arizona

The Chairman noted that he had met with Commissioner Talley, who has been in the jurisdiction inspecting the Kona Garden Estates Subdivision in the District of Kau, Hawaii County.

Date of
Next Meeting:

Tuesday, February 20, 1968, at 1:30 p.m. The Education Task Force convenes in the Conference Room tomorrow, Friday, January 19, 1968 at 9:00 a.m.

Adjournment:

There being no further business to transact, the Chairman declared the meeting adjourned at 4:20 p.m.



ROBT E. BEKEART, Executive Secretary

REB:va
2/16/68

Atto.