

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

MINUTES OF MEETING

Date: Thursday, May 30, 1968

Place: Board Room, Mezzanine Floor, Department of Regulatory Agencies
1010 Richards Street, Honolulu, Hawaii

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

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

By Invitation:

Wesley F. Charlton, representing the Real Estate Association of Hawaii
(Mrs.) Mary V. Savio, representing the Honolulu Board of Realtors

Absent: Yukio Kashiwa, Vice Chairman - excused

Call to Order: There being a quorum, Mr. Palk in the Chair called the meeting to order at 1:45 p.m. The normal order of business was set aside to permit the Commission to discuss matters requiring the counsel of Mr. Choi, Deputy Attorney General.

Discussion: RE-264, VIOLET C. KING
The Chairman briefed the commissioners on the receipt of Attorney Kinji Kanazawa's Petition for Reconsideration of Recommendation and Rehearing in the matter of the Respondent's license. He also advised that counsel's subsequent request that the execution of the April 26, 1968 order directing that Mrs. King cease all activity as a real estate broker and surrender her credentials be stayed. The Commission ratified the Chairman's action of May 17, 1968 granting a stay of the execution of the order.

Having discussed the status of the case and hearing the advisement of Mr. Choi, Deputy Attorney General, the Commission decided that it does not want to reopen the case on issues that it believes were exhausted during the hearing. Counsel is to be notified accordingly, but he is also to hear that if he can bring in fresh evidence as to the existence of the promissory note and present new evidence or testimony regarding the nature of the endorsement mechanics covering the refunding of the \$500 check, which was a binder or deposit, the Commission would consider a rehearing response. It was agreed that Respondent's attorney should be given ten (10) days in which to reply to the satisfaction of the Commission. If counsel is unable to respond according to the requirements specified, the Commission's position is that it will proceed with the original order.

Smith, Wild, Beebe and Cades letter of March 21, 1968

Attorney William H. Swope requests clarification on points in the Attorney General's opinion OP. 66-6 dated February 25, 1966.

The Commission, having preliminarily reviewed the matter with Deputy Attorney Choi, directed that the March 21, 1968 letter be referred to the Attorney General for clarification in relation to the points Mr. Swope raised.

Investiga-
tions:

RE-295, Clement K. Gondo - The Commission discussed this latest case in light of two earlier investigations involving the Respondent broker. In light of the impending Hearing Officers' review and recommendations in RE-280, and another complaint filed, RE-283, the Commission requested Deputy Attorney General Choi to examine steps that could immediately be taken to remove the Respondent from further real estate operations, pending the running of procedural matters in RE-280. Mr. Choi is to discuss with officials of the Court of the First Circuit the possibility of securing order from the Court to restrain the broker from continuing activities which the Commission believes could bring great harm and monetary damage to the public.

RE-306, Helen K. Wilkinson dba Sunset Realty (Kailua-Kona) - On the face of the investigation report, having studied the information and exhibits presented therein, the Commission can find no grounds on which to hold the Respondent in violation. The recommendation of the commissioners that no further action be taken was accepted.

RE-291, Continental Realty - Harry Y. H. Kim, Kam Fong Chun and Robert K. D. Lee - Having reviewed the highlights of this extremely involved case and recognizing that the matter is presently before the Courts on appeal, the Commission decided to defer this matter pending conclusion of judicial action, through the appeal processes.

RE-299, James K. F. Chun - The commissioners' examination of the information and exhibits goes to the issue of whether the Respondent should have registered the noncontiguous lots in Los Angeles County that he was offering for sale to the public in Hawaii. The Commission's position is that there appears to have been no breach of the then effective Subdivision Registration Law (ACT 154) as the Respondent was selling as a principal. The fact that the complaint had been made from a quarter identified in writing, as "A Kamaaina" was considered by the commissioners as a regrettable action when laid against accepted and prevailing standards of processing complaints.

RE-296, Hawaii Resort Land Investment Corporation - Having studied the case exhibits and information, the Commission decided that unless there is future trouble regarding this transaction no action is to be taken. There are no grounds on which to prosecute, the \$100.00 deposit has been refunded and the firm has terminated the services of the unlicensed operator who has since left this jurisdiction.

RE-284)

RE-285) - Marine Surf Waikiki - Condominium Registration No. 100

RE-293) The Executive Secretary reported that counsel for the Developers advised the Commission that commencing on April 23, 1968 twenty contracts were being closed at the escrow offices, Security Title Corporation. Further, Attorney Dwight M. Rush believes that the mechanics of closing and recording interests of ownership will proceed at an active rate. The Commission in accepting this report directed that the closings and recordings be monitored in order to present a status report at the next meeting.

The Commission reestablished the normal order of business and Deputy Attorney General Choi withdrew.

Minutes: UPON MOTION, the Commission approved the proceedings of the Tuesday, April 23, 1968 meeting.

Motion carried unanimously.

Business
Out of
Minutes:

LICENSING (Sec. 170-1. through 170-24.)

Fingerprint Record Procedure

Through the good offices of John E. Hempel, Chief Assistant Commissioner, California Division of Real Estate, the Commission has received information on recent successful efforts to submit departmental legislation which permits the Commissioner to issue a license before fingerprint identification clearance has been processed. The California license law also permits the Commissioner to order a summary suspension of those licenses obtained by fraud.

It was the consensus of the Commission that immediate steps should be taken so that this type of statutory amendment can be presented as part of this body's 1969 Legislative Program.

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

<u>Project</u>	<u>Registered</u>	<u>Preliminary</u>	<u>Final</u>	<u>Supplementary</u>	<u>Current</u>
Kapiolani Bel-Aire Reg. 201	10/2/67	5/15/68	-	-	-
Prospect Tower Apts Reg. 196	10/20/67	5/1/68	-	-	-
Diamond Head Lanai	1/12/68	+	-	-	-
Wilder Tower Reg. 197	1/23/68	5/3/68	+	-	5/30/68
Coral Terrace Apts Reg. 200	1/23/68	5/21/68	-	-	-

<u>Project</u>	<u>Registered</u>	<u>Preliminary</u>	<u>Final</u>	<u>Supplementary</u>	<u>Current</u>
The Palo Alto Reg. 198	2/1/68	-	-	-	-
The Barclay	2/6/68	+	-	-	-
Golflinks Apts Reg. 164	3/29/67	-	5/31/67	*	2/26/68
Kamehameha Gardens Reg. 170	6/2/67	-	7/19/68	*	3/1/68
Sunset Towers Reg. 117	11/15/65	-	1/21/67	*	5/21/68
Mokuleia Resorts-Manu Reg. 195	4/5/68	4/19/68	-	-	-
Mokuleia Resorts-Mohea Reg. 194	4/5/68	4/11/68	-	-	-
Prince David Apts Reg. 199	3/14/68	5/13/68	-	-	-
Marina Kai (aka Kaiser Terrace)	3/21/68	*	-	-	-
Pomaikai Reg. 168	3/10/67	5/11/67	5/24/68	-	-
The Regency at Kahala Reg. 202	5/10/68	5/17/68	-	-	-
3003 Kalakaua Reg. 60	2/5/65	-	3/24/65	*	4/15/68
The Candlewood	5/8/68	+	-	-	-
Lakeshore Tower	5/8/68	+	-	-	-
Poipu Beach Apts	3/22/68	+	-	-	-
2050 Huanu	5/23/68	*	-	-	-

LEGEND: * denotes waiting examination/report writing
 + denotes Developer's responsibility
 Current - Developer's most recent communication

New
Business:

LICENSING

New Corporations, Partnerships, DEAs and Branch Offices

Corporations

Kamaaina Realty, Inc.	Takeshi Oie, RPB
Mililani Town, Inc.	Clarence A. Lee, RPB
Allied Realty, Inc.	Danny Y. Maida, RPB
Thomas W. Giles Realty, Inc.	Thomas W. Giles, RPB
Pan American Financial Corporation	Sumio Hakashima, RPB
Suburban Shores Realty, Inc.	Vernon F. Davies, RPB

Branch Offices

Union Realty, Inc. Branch	Walter C. Wong, BIC
Great Hawaiian Realty, Inc., Branch (Temporary May 24-25, 1968)	Edwin K. Shiroma, BIC

DBAs

All Realty	Alicia L. Lee, dba
Ala Wai Realty	Thomas Ah Chai Chingon, dba

Reinstatement matter - Claire J. DeVault

The Executive Secretary requested authorization to restore Mr. DeVault's real estate broker license upon the presentation of evidence that he had met all requirements as instructed in mid-December 1967. Mr. DeVault's personal papers and files, in which license restoration correspondence is stored, are arriving shortly by freighter.

Commission authorized such an action.

Application for Examination and Re-Examination

The Commission ruled that applications, to be accepted for approval for an examination, must be filed in completed form, with appropriate fees remitted, at least thirty (30) days prior to the date an examination is to be given. The language of the rule "... shall be filed..." is to mean processed through the date and time stamp. The commissioners ask that applicants comply with requirements set forth in Rule 2.1, 2.2 and 2.3 of the Commission's Rules and Regulations.

Michael T. McCormack letter of May 3, 1968

The Commission sees the request as another facet of the supervision and control by broker problem. As Mr. McCormack has an established Branch Office in the County of Maui, it was agreed that the licensed salesman, Arthur L. Bivens, having domicile at Kaunakakai, Molokai, may operate under the control of the Kahului, Maui branch office. A period of twelve months is approved after which the Commission intends to re-examine the supervision and control problem facing all neighboring island county licensees.

Mr. Yamanaka stated that the Hawaii Island Board of Realtors is also examining this matter in order to present recommended policy guidelines to the Commission.

The Commission is to continue its study of this problem and at a later date it is hoped a reasonable change can be expected. This would mean an improvement in the policy established at a meeting in the County of Kauai several years ago.

Derogatory Records

The Executive Secretary recommended that three (3) applicants for real estate salesman license, having indications in files and records of derogatory entries, be advised to file with the Commission letters from three persons in the community who will attest to their good conduct during the past five years. The Commission agreed that Frank R. Hicks, Claybourne Pait and Charles L. Ross receive such instructions. As the criminal abstract record of a fourth applicant, Richard F. Stenstrom, shows a trace of conduct more serious, the Commission decided to deny the issuance of the license under the authority of Sec. 170-7(b). The applicant is to be advised that pursuant to Sec. 170-13, he is entitled to a hearing.

Miscellaneous:

NARELLO Western District Conference

The Commission accepted the report that there has been a revision to the request for out-of-state travel submitted on behalf of Mr. Palk and Mr. Yamanaka. Approval is now sought, and imminently expected, for an expenditure of \$638.00 towards the total money requirements to send two representatives to the West Yellowstone regional meeting. The Chairman acknowledged that he had reviewed the matter with Director Edwin K. Honda and it was agreed that as funds are in short supply the two commissioners will underwrite the approximate difference of \$250.00.

Education Task Force

Mr. Sodemani, ETF Chairman, gave a capsule report on the April 24, 1968 meeting. He observed that discussions have crystallized into positive planning in the area of (a) program, (b) budget and (c) timetable. He believes that it is the characteristics and performance study which will provide answers to the question of what the Task Force is exactly looking for and just what it expects to accomplish with the information, data and facts as assembled. In addition to the Profile Study, Chairman Sodemani stated that the formulation of a program to move towards the publishing of a handbook or reference manual had, for the present, been waived and it is expected that the Honolulu Board of Realtors may initiate action in this area. The Commission agreed that Assistant Professor Don Bell should shortly be in a position to set down preliminary requirements for the Characteristics and Performance

Study within the framework of (a) program goals, (b) funding and (c) time frame. The Executive Secretary is to seek the assistance of the California Commissioner of Real Estate for copies of the 1957 Maisel-Schaaf report.

Date of
Next
Meeting:

Thursday, 1:30 p.m., June 27, 1968. The Vice Chairman, Mr. Kashiwa, is to be alerted on the requirements for the next meeting and every effort will be made to see that there is a quorum.

Adjournment:

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



ROBT E. BEKEART
Executive Secretary

REB:sw
6/26/68