

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

MINUTES OF MEETING

Date: Thursday, June 27, 1968

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

Present: Yukio Kashiwa (Oahu) Vice Chairman Douglas R. Sodetani (Maui)  
 Irving Jenkins (Kauai) William H. C. Young (Oahu)  
 Harold J. Silva (Oahu)

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

By Invitation

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

Absent: Jack K. Palk (Oahu) Chairman Hiromu Yamanaka (Hawaii)

Excused - the two above commissioners are attending the NARELLO  
 Western District Conference, West Yellowstone, Montana,  
 June 27-29, 1968 as representatives of the State of Hawaii.

Call to Order: There being a quorum, Mr. Kashiwa 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 advice and counsel of Mr. Choi, Deputy Attorney  
 General.

Discussion: RE-264, Violet C. King  
 Counsel for the respondent, under date June 27, 1968, advised  
 the Commission of his efforts to examine the record and bring  
 forth new evidence in support of his client's position. He  
 represented that he was experiencing some difficulty in assembling  
 required information and requested an extension of a few more  
 days to continue his investigation in order to present fresh  
 evidence or new testimony.

UPON MOTION, the Commission ruled that Mr. Kinji Kanazawa,  
 Attorney, be given time to produce additional facts or  
 information, particularly in his search of bank records for  
 illumination on the deposit check and its processing through  
 broker clients' fund accounts. Counsel for the respondent is  
 to be advised that he has until the close of the business day,  
 Friday, July 5, 1968, to respond with the evidence he has  
 outlined. If such a response is not received to the Commission's  
 satisfaction, the original order is to be invoked.

Motion carried unanimously.

While the commissioners were conducting their review of this  
 case, the respondent presented herself and requested an audience

before the body in order to present facets of the case as she sees them. Mrs. King was advised that the Commission had just ruled on the case, that the ruling was favorable to her attorney's request and that no further discussion of the matter was necessary at this meeting. The respondent tried repeatedly to gain admittance, but the Executive Secretary succeeded in getting her to withdraw.

Later in the proceedings the Director, Mr. Edwin Honda, presented himself to the Commission and explained that he had advised the respondent that certain procedures have been prescribed for investigations and hearings, and that it was not in his purview to tell the Commission that it had to give her audience. The Director had informed Mrs. King that she could request for an appearance before the Commission, but it was up to that body to decide whether or not such an audience would be given. The respondent had not interpreted the Director's observations correctly.

The Chair asked that the normal order of business be resumed.

Minutes:

UPON MOTION, the Commission approved the proceedings of the Thursday, May 30, 1968 meeting as circulated.

Motion carried unanimously.

Business Out  
of Minutes:

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

Fingerprint Record Procedure - There are no further developments to report in the Commission's plan to incorporate changes to the licensing statute, and rules and regulations, through amendatory action before the 1969 General Session.

Smith, Wild, Beebe & Cades letter of March 21, 1968 - The Administration has suggested that rather than requesting classification of the Attorney General's Opinion No. 66-6 in relation to points raised by Mr. William M. Swope, Attorney, that the Commission re-examine the law firm's communication and determine if there is a specific point on which an advisement could be sought from the Attorney General.

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

In order to present an accurate display through the use of the Condominium Status Table, and reduce unnecessary typing and reproducing, the Executive Secretary has made the information available in an attachment to these proceedings.

(See FIRST ATTACHMENT)

The Commission accepted the information set forth as part of the agenda material.

Investigations: RE-295, Clement Gondo of Associated Realty, Inc.

At the previous meeting, in reviewing the subject case along with other allegations that the respondent had failed to account for monies, the Commission asked Mr. Choi, the Deputy Attorney General, if he could informally explore some type of a restraining action that would immediately stop the respondent's further action in licensed real estate activities.

Mr. Choi reported that he had studied the problem and through unofficial and informal discussions he had to report that a court would be reluctant to facilitate the regulators' functions or responsibilities without the required running of the administrative procedures.

RE-280, Clement Gondo

This matter has not been set down for a hearing, pending the disposition of the other case, RE-283, now before the Hearing Officers.

RE-283, Clement Gondo

Messrs. Silva and Young, Hearing Officers, stated that they were prepared at this meeting to present their findings for the Commission's discussion and action. It was agreed that the required findings of the Hearing Officers would have to be submitted in the routine format and manner. This is to be followed through on shortly.

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

Royal Hawaiian Syndicates, Inc. - James S. Kawaoka, RPB  
 General Investment Corporation - Lowell D. Funk, RPB  
 Hambleton & Associates, Inc. - Charles E. Conboy, RPB  
 Growth International Realty, Inc. - Oscar M. Nishihara, RPB  
 Dillingham Development Corporation  
 (Change of name. Formerly Hawaiian Contracting Co., Ltd.)

Branch Offices

Corbett-Tharp, Inc., dba Hawaii Homes Br. - Hisao Nagahisa, BIC  
 Great Hawaiian Realty, Inc., Br. - Arthur H. Ikeda, BIC  
 Ron Burla & Associates, Br. - Ronald L. Burla, BIC  
 Walter N. Clark Realty Co., Br. - Ralph S. Yagi, BIC \*  
 Great Hawaiian Realty, Inc., Br. - Edwin H. Shiroma, BIC  
 (Temporary facility -- short period.)

DBAs

Schrader Realty & Investments - Tyrrell & Schrader Management  
 Co., Inc., dba  
 Alohaland Real Estate - Mane P. Burns, dba  
 Jyo Realty - Iwao Jyo, dba

\*The Commission directed the Executive Secretary to determine if the Broker In Charge of the proposed Walter N. Clark Realty Co. branch office in Wailuku, Maui, was a full time employee in the Advisory Group Organization, U. S. Army. The approval of this branch office application is set aside pending this further investigation and report.

UPON MOTION, the Commission ruled that the license processings immediately above, as tentatively authorized by the Executive Secretary, be accepted with approval and entered of record.

Motion carried unanimously.

July 2, 1968 Examination - Application Statistics

The Licensing Branch presented the following approximate figures on the number of qualified applicants in the four counties:

	<u>Broker</u>	<u>Salesman</u>
<u>Hawaii (Kailua-Kona)</u>	<u>2</u>	<u>12</u>
<u>Hawaii (Hilo)</u>	<u>1</u>	<u>26</u>
<u>City and County of Honolulu</u>	<u>75</u>	<u>329</u>
<u>Maui *</u>	<u>4</u>	<u>20</u>
<u>Kauai</u>	<u>1</u>	<u>12</u>
Postponement by written request. Incomplete applications and denials.	<u>12</u>	<u>29</u>
TOTAL	95	429

\*Does not include one Island of Molokai applicant.

Richard Stenstrom - responded to denial action of the Commission at its earlier meeting by filing request for hearing. Mr. Joseph L. Dwight, Jr., Attorney, advises Commission that he has been retained to represent the applicant.

Morris Moche - responded to Commission's action to deny admittance to examination and rejecting his application for a real estate license by filing a request for a hearing. Mr. L. M. Nevels, Jr., has advised the Commission that he is counsel for the applicant.

Raymond Proctor - the Executive Secretary recommended that the subject application for real estate broker license be set aside pending disposition of charges of immoral conduct now pending in District Court.

The Commission accepted the recommendation with approval.

Investigations: RE-284, Marine Surf Waikiki  
and

RE-285, Marine Surf Waikiki - the Executive Secretary reported that the Developer's counsel, Mr. Dwight M. Rush, advises that contracts are continuously being closed and conveyed interests being recorded. Miss Bette Frechette, Treasurer, Security Title Corporation, expects one hundred percent closing of all contracts in the very near future.

RE-287, Mark-Crosetti, Inc. - there is nothing new to report on the bankruptcy proceedings in the Federal Court.

RE-305, Paul Koterba - finding no evidence on which a violation could be successfully prosecuted, the Commission's decision is that this case be dismissed.

RE-302, Isabella Maderia - it appears to the commissioners that on the basis of the information in the investigation report, this case should rightfully be resolved between the buyer and the seller.

Miscellaneous: NARELLO Western District Conference - Hawaii's two delegates to the regional meeting, Mr. Palk and Mr. Yamanaka, were authorized funds for air travel, per diem and incidental expenses in the amount of \$638.00. Although the estimated total cost of \$888.00 was sought, the two commissioners agreed to fund the \$250.00 themselves in order that the Commission has adequate representation at this important meeting.

Education Task Force - Chairman Sodetani reported as follows:

Assistant Professor Don Bell met with ETF and proposed that steps be taken at once to launch or move in the direction of first establishing a working agreement, in broad form, based on the principle that the Commission would participate with the University of Hawaii Foundation Corporation in an approach to a broad program of research and education in real estate. As a specific goal or objective is identified, a further agreement or contractual understanding would be executed to attain the targeted end result.

At the next Education Task Force meeting Professor Bell will present a recommendation as to just what the scope of the *Characteristics and Profile Study* should be. With a graduate student now assigned to the project, he is of the opinion that the limits and objectives of the study can now be set down for the Commission's review.

Vice-Chairman Kashiwa suggested to Mr. Choi, Deputy Attorney General, that preliminary research be made into ACT 187 to determine if the legal authority is clearly set forth as to how broad and far-ranging the Commission can move in expending funds for carrying out established and acceptable programs.

The Commission went on record expressing agreement in principle with Professor Bell's proposals, with the conditional requirement that the Attorney General be permitted to review the legal aspects under which such arrangements could be formulated.

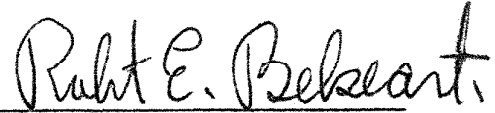
Further, the commissioners waived complete acceptance of Professor Bell's presentation until the Chairman, Mr. Palk, has an opportunity to study the proposals upon his return to the State.

Date of  
Next Meeting:

It was agreed that the Education Task Force should meet one day in advance of the Commission. Mr. Sodemani set the ETF meeting at 1:00 p.m., July 25, 1968. The Commission is to meet at 1:30 p.m., Friday, July 26, 1968.

Adjournment:

There being no further business to transact, the Vice Chairman declared the meeting adjourned at 4:40 p.m.



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ROBT E. BEKEART  
Executive Secretary

REB:km 7/22/68  
Attachment