

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

MINUTES OF MEETING

Date: Thursday, August 29, 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)            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: Hiromu Yamanaka (Hawaii) excused. Yukio Kashiwa (Oahu) Vice Chairman,  
absent

Call to Order: There being a quorum, Mr. Palk in the Chair, called the meeting to order at 1:40 p.m.

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

Richard F. Stenstrom - Application for Salesman License Appearance. The applicant, accompanied by his attorney, Mr. Joseph L. Dwight, Jr., was responsive to various questions the Commission asked regarding the entries of derogatory information in the application file. The applicant was excused and the matter taken under consideration.

The Commission agreed that the applicant is to be advised that he has been found qualified in all respects and the proceedings will reflect that the license applied for shall issue, with certain reasonable conditions entered of record. The conduct of the applicant is to be carefully scrutinized and if it appears that there is any breach or trace of misconduct which would be cause for disciplinary action, the Commission will move with despatch to revoke the authority granted under law. The prospective employing broker is to be given written notice of the Commission's action.

Roy Sumida - Application for Salesman License Appearance. The applicant came forward by invitation without counsel. He was given an opportunity to present his side of the entries of derogatory information in the application file and

responded to questions asked by commissioners. The applicant was excused and the matter deliberated on by the Commission.

The Commission's decision is that the applicant is to be advised that he is found qualified in all respects and the proceedings will reflect that the license applied for shall issue, with certain reasonable conditions entered of record.

The same conditions as in the matter immediately above are invoked as to the issuance of a salesman license to Mr. Roy Sumida.

Raymond J. Proctor - Application for Broker License

The applicant is to be advised that it is the Commission's position that pending the District Court's decision on his attorney's motions to dismiss the charges of immoral conduct and suppress the evidence, the application for real estate broker license is to be held in abeyance.

Deane F. Foell - Application for Salesman License

The applicant is to be advised that the Commission is concerned with a report on his conduct before the Contractors License Board. It is agreed that in order to assemble more specific information on allegations of record, the Investigation Branch is to examine the files of the Contractors License Board, determine the nature of any complaints made against the applicant and report in writing to the Commission on the disposition of any and all complaints.

RE-264, Violet C. King

The Executive Secretary reported that the Respondent will not accept delivery of the Commission's communication, sent through certified mail channels, advising that the order of revocation had been invoked.

It was agreed that the Investigation Branch will try to make personal service on the Respondent and at the time of delivery, the Investigator is to orally advise Mrs. King of the contents of the letter.

The Investigation Branch will file a written report on the effort to serve the Respondent and said report will be available to the Commission at the next meeting.

Fingerprint Record Procedure

Note was made of new procedures established in the Honolulu Police Department for collecting fingerprint applications and records. The Executive Secretary also reported on discussions with Mr. Paul Jones, Director, Bureau of Crime Statistics and Identification on the Commission's objective to introduce changes in the licensing statute at the 1969 General Session.

CONDOMINIUMS (Section 170A-1 through 170A-46)

(See FIRST ATTACHMENT)

In reviewing the problem of delays in publishing condominium reports the Commission expresses its deep concern over observations and comments made by the real estate industry at such a practice. The commissioners, being in the business of land acquisition, development and disposal, are mindful that delays add greatly to the Developer's costs and that terminally these increased costs must be passed on to the buyer.

The Commission, after a full review of the facts, resolved that in the matter of administering and enforcing the Horizontal Property Act, the following be established as goals to improve the public report system: First - the Developer's will be given instructions on the Commission's policy that a draft of the proposed preliminary, final or supplementary public report is to be submitted as part of the condominium project disclosure. Second - the recommendation is strongly made that the Administration employ qualified personnel, on a part-time basis, to assist the Executive Secretary in examining the submittals and preparing the public report. The Commission recognizes that up to and including the effective date of the new Comprehensive Zoning Code a great increase in filings is to be expected.

The Chairman is expected to call on Mr. Honda, the Director, and Mr. Okaji to discuss implementation of those two proposals.

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

Corporation  
Rainbow Realty, Ltd.

Principal Broker  
Eileen L. Wilhelm

Partnership  
(None)

DEA  
Aluli Real Estate  
Tropic Isles Realty

Nane A. Aluli, dba  
Richard A. Dole, dba

Branch Offices  
(None)

Communication - George E. Isaacs letter of 8/28/68

The Commission reviewed the requirements of Sec. 170-7(f) and agreed that the avenue the inquirer should explore is to first qualify as a salesman under the statute, then seek the regulators' consideration in the matter of waiving the two-year salesman apprenticeship period.

In summarizing, the Chairman noted that this appeared to be a request which goes right to the heart of the problem of reciprocity. He observed that he is hopeful that the day is not too distant when Hawaii will establish reciprocal agreements with other jurisdictions who would encourage the free movement of competent and qualified real estate practitioners across state boundaries. It is to be understood, Mr. Palk stated, that seeking the agreement of other sister states to such an understanding should be the first action to explore.

Communication - Dennis E. Lynch letter of 8/20/68

The request that he be given special consideration in sitting for the written real estate salesman examination is accepted with approval. Because of the applicant's extremely sensitive visual problem, a program of examination should be set up by the Administration. The Executive Secretary is to explore with the Examination Branch what procedures could be set up to facilitate the administering of the required test.

Investigations:

RE-280, Clement K. Gondo

No action reported as this case has been considered to be an investment opportunity in which complainant was knowledgeable of what was involved.

RE-283, Clement K. Gondo

The Executive Secretary reports that his schedule and workload has not permitted him the time to prepare the necessary hearing papers.

RE-303, Helen Wilkinson

The Commission finds that there is no indication in the investigation report that the Respondent is guilty of the charges of misconduct made by the Complainant. Case dismissed.

RE-304, Kona Riviera Villa Condominium

A copy of the investigation report is to be forwarded to the Corporations and Securities Administrator for a determination as to whether there is a requirement for the respondents to be qualified as securities salesmen under the Hawaii Sale of Securities Act.

RE-309, Ben Ayson

The Commission noted from the investigation report that the matter had been resolved. No action taken.

RE-310, Harry K. Lee

The Commission observed that from the information in the investigation report it appears that the Complainant had transmitted his copy of the Deposit, Receipt, Offer and Acceptance contract to the escrow agent. Any other question on whether the Complainant received the third copy of the DROA is an allegation that must be supported with proof. No action taken.

Commissioners' August 20, 1968 Meeting with Mr. Honda, Director

Observations - The Chairman gave a capsule report on the meeting to which the Director invited the Chairmen and Presidents of the various commissions and boards. He reviewed the departmental paper on revenues, expenditures and surplus funds. The commissioners studied the exhibits and agreed that there appeared to be areas in which requests for necessary projects could be accepted by the Administration.

Statewide Round-Up:

The Chairman reported that he had advised the Director on the continually increasing registrations of condominium projects and the delays that Developers are experiencing in their efforts to get into the market. The Director acknowledged this and offered that some method should be considered to reduce the delay time in publishing the reports. He suggested that consideration be given to having the Developer prepare a draft of the report sought, similar to a prospectus that one files in offering securities to the public.

NARELLO Western District Meeting

The Chairman acknowledged that his report on the West Yellowstone regional meeting was overdue. He will try to have the trip report of the June 25 to 30, 1968 event ready for the commissioners at the next scheduled meeting.

County of Kauai - Commissioner Jenkins

No comments or observations.

County of Maui - Commissioner Sodetani

The warning letter to Valley Isle condominium and stock cooperative apartment organizations has been distributed. Within the industry an effort is being made to inform all brokers in the County of Maui on the Commission's position and action in this area of unlicensed activity. All Maui licensees are placed on notice that they are to refer any violations or infractions of the licensing law to the Investigation Branch personnel in Wailuku.

County of Hawaii - no representative presentMiscellaneous:Education Task Force - Mr. Sodetani, Chairman, reporting

All participants met for three hours before the Commission monthly meeting convened. The highlight of the forenoon proceedings was the presentation by Assistant Professor, Donald W. Bell. The University of Hawaii proposal envisions a budgeted figure of approximately \$12,000.00 which would be ear-marked to launch a program encompassing three broad sectors of research or gathering of information: First - the Characteristics & Profile Study involving a Questionnaire, Distribution and Retrieval, and Evaluation of the Results; second - an examination of all licensing records and files as an ancillary effort to support the Characteristics &

Profile Study; and third - compiling and publishing the results of the Study, as well as the examination of license records by trained personnel.

Chairman Sodetani acknowledges that Professor Bell will have to move in the direction of setting the University's proposal down in written form.

On receiving the report of the Education Task Force the Commission agreed that criteria be established which would embrace the following:

1. It is the Commission's understanding that the program, in three sectors or stages, be established with a dollar amount to correspondingly reflect the cost of each of the three phases.
2. That the Commission, through the Education Task Force, will be able to correlate the program needs or requirements versus the funds that are legally available under the Recovery Fund.
3. Exploratory discussions with the Department of Budget and Finance as to what funds are available and what our cash flow situation appears to be at present.
4. Continuing discussions with Budget and Finance to determine what funds will be available during the proposed term of the program that Professor Bell is prepared to embark on.

Mr. Sodetani reported that Professor Bell will be able to perfect the memorandum agreement with the University of Hawaii pending the return of key academic officials and the installation of the new Dean, College of Business Administration.

Policy Statement - The Commission deferred to the next meeting the matter that an assumed business name shall not contain as part of that name the surname of a salesman licensed with that broker. The same prohibition would apply to partnerships, associations or corporations. The applicable section of the license law is Sec. 170-12(g), R.L.H. 1955, as amended.

40th Annual NARELLO Conference - Commissioner Jenkins  
Necessary paperwork, requests and arrangements for Mr. Jenkins' participation in the St. Paul, Minnesota, meeting of September 22-25, 1968 have been processed.

Date of Next Meeting: Thursday, September 26, 1968, at 1:30 p.m., Honolulu.

The fiscal year program includes a field trip and inspection, County of Hawaii. Consideration is being given to Thursday-Friday, October 24-25, 1968. Upon Commissioner Yamanaka's return the preliminary planning will be initiated.

Adjournment: There being no further business the Chairman declared the meeting adjourned at 5:30 p.m.

Recorded by:



ROBT E. BEKEART, Executive Secretary