

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

MINUTES OF MEETING

Date: Friday, November 22, 1968

Place: Room 605, c/o Oceanic Properties, Inc., Atlas Insurance Building  
1150 South King Street, Honolulu, Hawaii

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

Robt E. Bekeart, Executive Secretary

By Invitation

George A. "Red" Morris, Executive Vice President,  
Honolulu Board of Realtors  
Michael T. McCormack, representing Honolulu Board of Realtors  
Wesley F. Charlton, representing Real Estate Association of Hawaii

Absent: James H. S. Choi, Deputy Attorney General - excused

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

Minutes: UPON MOTION, the Commission approved the minutes of the County of Hawaii meeting, October 31 to November 2, 1968, as circulated.

Motion carried unanimously.

Business Out of Minutes:

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

Appearance: Clifford K. B. Oh, applicant for real estate salesman license. The applicant was given the opportunity to study the Abstract of Criminal Record. His examination of individual entries led to an attempt to recall the background of all the charges.

UPON MOTION, the Commission ruled that a salesman license would issue, with the condition that the employing prospective broker appear with the applicant before the Executive Secretary at which time a recitation of the position of the Commission will be made to the Principal Broker. A letter, transmitting the permanent license certificate, and referencing today's action, is to be made a part of the licensee's record.

Motion carried unanimously.

Appearance: RE-315, Norman Akita and George Yamashiro (Waikiki Realty, Ltd.) The commissioners heard the respondents' report on the details behind the apparent small increase in the offer to purchase. Discussion showed that there was more than one offer submitted; a person outside the employ of the agency had also submitted a slightly higher offer. That it was a coincidence that the two offers came in under the time sequence was recognized by the regulators.

The Commission, in its discussion with the respondents, is satisfied that there was no collusion and that James K. Yoshida, salesman for Waikiki Realty, Ltd., had no knowledge of the existence of other offers.

The complainant will be advised of the Commission's action.

November 19, 1968 Examinations

Examination Branch statistics on applicants appearing for the last tests are as follows:

	<u>Examinees</u>	
	<u>Broker</u>	<u>Salesman</u>
County of Hawaii (Hilo)	5	52
County of Hawaii (Kailua-Kona)	3	14
City and County of Honolulu	95	384
County of Kauai	4	6
County of Maui	<u>7</u>	<u>21</u>
Total	114	477

The Commission accepted the statistics on the recently conducted examination.

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

(See FIRST ATTACHMENT)

ACADEMY TOWER - REG. 156 - The Developer will be notified, in writing, of the Commission's concern that material changes have been made to the project and the regulatory body has received no notification as required. It is to be noted that the Commission has considered the information available and intends to move ahead with the issuing of a supplementary report. The Developer is to be advised that the acquisition of additional land to be committed to the regime and the apparent addition of a floor to the plans constitutes material changes to the project.

ALA WAILANI - REG. 186 - The Commission received the report on the project's structural problem of sagging lanais and the Developer's attempts to remedy the matter. Notice was given that the City and County of Honolulu buildings personnel have accepted modifications in the plans that will serve to correct the fault. The Developer is to be instructed to report to the Commission why a Supplementary Public Report, describing the changes, should not be issued.

Investiga-  
tions:

RE-312, Laura McCarley, dba McCarley Services

The supplementary investigation report of November 21, 1968 was accepted. The action involving a security deposit in a landlord and tenant situation is determined to be outside the Commission's purview.

RE-318, Robert Lucas

Investigation report as reviewed by the Commission shows that there is a valid contract of sale in the custody of Title Guaranty Escrow Services, Inc. It was agreed that the complainant should pursue

this matter through the court system, possibly with Aaron M. Chaney, Inc., the appointed Trustee in bankruptcy and reorganization proceedings.

The Commission holds that Mr. Lucas is to advise whether he had knowledge that the project had faulted or was going under at the time that he entered into a selling agreement with the complainant. The feeling is that it is the responsibility of a broker to disclose to his purchaser that the project was in trouble and that the possibility existed that a petition for bankruptcy was being considered by the Developer.

RE-320, Business Investment, Ltd., and Palms Development

If it can be established that there was an element of misrepresentation in the sale of the condominium unit to the complainant, the Commission has the authority to proceed with a hearing. The complainant is to be reminded that he had signed the offer to buy documents and had access to the Declaration of Horizontal Property Regime, By Laws of Association of Apartment Owners and House Rules in which the use and management of the property is recited.

The selling agent could be held to a charge of misconduct if misrepresentation can be proven, but this would be apart from any contractual litigation the complainant may wish to initiate in order to establish the rights that he believes he is entitled to.

RE-321, Barbara Cook Liddle and Margaret Chesley

The commissioners recognize the problem of a personal hardship, but believe it is the broker's duty to perform to the satisfaction of her principals. Note was made that partial payment has been initiated and received. The Commission will continue to monitor this matter and seek the cooperation of the respondent.

RE-323, Primo Racuya and Palisades Realty, Inc.

It was agreed that this matter be referred to the Office of Consumer Protection, Department of the Attorney General. The Investigation Branch is to make a further inquiry of the respondents to determine if Palisades Realty, Inc. has the authority, in the sale contract, to withhold the loan service fee, since the investigation report indicated that the broker disclaimed any participation or role in the handling or processing of the mortgage application and attendant documents. It appears that this was a matter where the complaint dealt directly with the mortgagee.

RE-291, Harry Kim - Continental Realty, Ltd.

In light of the October 16, 1968 communication of Edward Y. N. Kim, Attorney, the Commission decided not to carry this matter forward.

New

Business:

LICENSING

New Corporations, Partnerships, DBAs and Branch Offices

Corporation

Pink Enterprises, Inc., dba Pink Realty  
General Development Corp. of Hawaii, Inc.  
Aina Lehua Realty, Inc.  
Estate Builders, Inc.

Principal Broker

Heinz-Gunther Pink  
Clarence W. H. Fong  
James Y. Kawanishi  
Mun Bo Chang

Partnerships

(None)

DBAs

D. Audron Company - Dennis A. Paine, dba

Branch Office

Pan American Financial Corp. - Suite 1600, 2270 Kalakaua Avenue  
Davis M. King, BIC

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.

Mr. Sodetani reported that Action Realty, Inc. has opened a desk operation in the lobby of the Wailuku Hotel. It was agreed that the Maui investigation personnel will probe this matter, determine if a proper license has been authorized and file an informal report with the Maui commissioner.

Miscellaneous:

Education Task Force - The Chairman announced that the November 11, 1968 draft of the Memorandum of Agreement and the Project Approval Agreement is a revision and a result of 2 conferences with Assistant Professor Don Bell, University of Hawaii. The Commission has information that the University is forwarding both agreements, in draft form, to the Department of the Attorney General for review and acceptance as to form.

Since the County of Hawaii meeting, Chairman Palk has met with Mr. Bell to discuss the Realtor's Institute Series and the long-range objectives of qualifying more people under the Graduate Realtor Institute (GRI) program. The problem of selecting best equipped instructors for an expansion of the GRI program was discussed. The commissioners expressed an interest in the personnel staffing of the program as it bears on the Commission's objective of strengthening the content of real estate educational offerings and bringing forward instructors of the highest caliber.

40th Annual NARELLO Conference - Mr. Jenkins made an oral report on the September 23 to 26, 1968 proceedings in St. Paul, Minnesota. The highlights of the annual conference of license law officials dealt with education and our representative was particularly impressed with the magnitude and scope of real estate research and education in associated states. The long-range program of the California authorities in a move towards full professionalization was reviewed and the graphic illustrating that state's approach to the objective was studied by the commissioners.

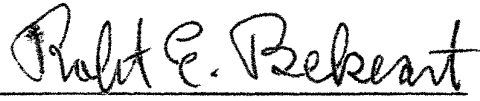
Robert M. Moore - Applicant for Real Estate Salesman License - Mr. Yamanaka is to establish an informal hearing at which the applicant will be given the opportunity to speak to entries of a derogatory nature as assembled in background check of his character and integrity. The East-Hawaii Investigator, Mr. Francis Gota, is to assist the commissioner.

Date of Wednesday, December 18, 1968, at 2:00 p.m., in the Board Room,  
Next Meeting: Kamamalu Building, 1010 Richards Street, Honolulu.

An evening social event is in the tentative planning stages with the possibility of the Commission reconvening at the Chairman's residence.

The Education Task Force is to meet on Thursday, December 19, 1968, at 10:00 a.m., with the principal purpose of receiving a progress report on the Characteristics and Profile Study Project.

Adjournment: There being no further business to transact, the Chairman declared the meeting adjourned at 5:45 p.m.



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ROBT E. BEKEART  
Executive Secretary

REB:km 12/18/68  
Attachments