

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

MINUTES OF MEETING

Date: Thursday, June 26, 1969

Place: Board Room, Kamamalu Building  
1010 Richards Street, Honolulu, Hawaii

Present: Jack K. Palk (Oahu) Chairman                      Douglas R. Sodehani (Maui)  
Herbert S. Isonaga (Oahu) Vice-Chairman        Hiromu Yamanaka (Hawaii)  
Irving A. Jenkins (Kauai)                              William H. C. Young (Oahu)

James H. S. Choi, Deputy Attorney General  
Dick H. Okaji, Licensing Administrator  
Robt E. Bekeart, Executive Secretary

George A. Morris, Executive Vice President, Honolulu Board of Realtors  
Wesley F. Charlton, representing Real Estate Association of Hawaii  
Harold J. Silva

Absent:  
Call to  
Order:

There being a quorum, the meeting was called to order at 2:15 p.m.,  
with Mr. Palk in the Chair.

The Executive Secretary, at the direction of the Chairman, read the  
NOTICE OF PUBLIC HEARING as follows:

Notice is hereby given that the Real Estate Commission,  
State of Hawaii, will hold a public hearing in the Board  
Room, Department of Regulatory Agencies, 1010 Richards  
Street, Honolulu, Hawaii, on Thursday, June 26, 1969, at  
2:00 p.m., for the purpose of hearing all persons interested  
in the proposed amendments to the Commission's rules  
pertaining to (1) fingerprint requirements for real estate  
brokers, (2) identification of leasehold in advertisement,  
(3) identification of agent in advertisement, (4) compliance  
with zoning requirement, and (5) requirement to report  
changes in employer, etc.

All interested persons may contact the Commission's office  
at phone 548-2211, local 209, for information.

JACK K. PALK, Chairman  
Real Estate Commission  
State of Hawaii

The Chairman announced that in compliance with SECTION 3, Procedures  
for Adoption, Amendment or Repeal of Rules, Hawaii Administrative  
Procedures Act, the above notice was published in the Honolulu  
Star-Bulletin, Monday, June 2, 1969 at Page D-7 in the eighth and  
ninth columns.

In answer to the Chairman's inquiry, the Executive Secretary reported that adequate notice had been published within the building that a public hearing was in progress.

The Chairman welcomed the following persons to the proceedings, and commended them for their interest in the Commission's program of improving and strengthening the rules and regulations:

1. Larry Leon, c/o Leon Realty
2. Charles I. H. Yang, Broker
3. Kenneth Kawada, c/o Kenneth Kawada Real Estate
4. Mary V. Savio, c/o Tropic Shores Realty, Ltd.
5. Ethel D. Leon, c/o Leon Realty
6. Frances M. Kent Golden, Realtor
7. Robert Fountain, Hawaii Newspaper Agency, Inc.
8. Lillian Cargile, Realtor
9. Sergio H. Pavebrut
10. Violet C. King

Mr. George A. Morris, Executive Vice-President, Honolulu Board of Realtors, represented the Hawaii NAREB organization.

Mr. Wesley F. Charlton represented the Real Estate Association of Hawaii.

Mr. Dick H. Okaji, Licensing Administrator, represented the Director of Regulatory Agencies.

The Chairman gave a short resume of the Commission's program of administration and enforcement, specifically noting the requirement that boards and commissions must periodically review rules and regulations to determine if the needs of the public are being considered in light of changing conditions in the real estate industry.

Mr. Morris presented a statement of the Honolulu Board of Realtors, setting forth comments, suggestions and observations regarding proposed changes to the rules and regulations.

Mr. Okaji, speaking for the Administration, offered four suggestions on improving and clarifying the language and the intent of the Honolulu Board of Realtors' proposals.

Mrs. Savio inquired if the Commission was discriminating against some brokers in the proposal that a licensee must have a definite place of business, in a properly zoned area, in order to transact business and negotiate. She illustrated her point by calling the Commission's attention to a situation where a broker conducts real estate operation out of a unit or office in a condominium project in an area zoned for residential purposes.

All who so chose were given an opportunity to be heard and their comments or suggestions were to be taken under study for possible incorporation in the rules that were to be adopted at this hearing.

The public hearing was declared adjourned by the Chairman at 3:00 p.m. The Chair declared a recess.

The Commission reconvened at 3:10 p.m., and on the advice of Counsel, Deputy Attorney General James H. S. Choi, proceeded with the business of incorporating language refinements into the proposed rules and regulations.

UPON MOTION, the Commission decided that the proposed changes to the Rules and Regulations, with amendments suggested and brought forth at the public hearing, were approved for adoption.

(A copy of the proposed amendments to Real Estate Commission Rules and Regulations, Title VII, Chapter 20, is attached as part of these proceedings.)

Motion carried unanimously.

It was agreed that Deputy Attorney General Choi is to review the amendments as proposed and his advisement will be relied on in the adoption and promulgation of changes to the Commission's rules and regulations. Return to the order of the agenda.

Business  
Out of  
Minutes:

Licensing (Sec. 467-1. through 467-26. HRS)

Appearance: Hilda T. Morse, applicant for real estate broker, accompanied by Mr. Kinji Kanazawa, counsel.

The Commission reviewed the applicant's history in earlier real estate escrow activities and heard from her attorney the course of restitution that she undertook several years ago to see that the public received satisfaction on funds entrusted to her.

The Commission directed the applicant to put in three letters from persons who will attest to her character and reputation, and two of these letters must be signed by licensees certifying to the applicant's honesty, truthfulness and fair dealing.

The Chairman reported on his review of the applications submitted by H. P. Little and Henry Chan who requested a waiver of the two-year apprenticeship requirement and authority to sit for the July 1, 1969 examination. In the matter of H. P. Little, the Commission decided to uphold the Chairman's action of disapproving the application on the basis that the three real estate courses taken under the University of California Extension Division do not equate to the ten months additional apprenticeship time the applicant should have in order to be found qualified to write the examination.

In the matter of Henry Chan, the Commission upheld the Chairman's action of disapproving the application on the basis that the regulators are of the opinion that the applicant should complete his real estate credit course program at the University of Hawaii, then he is to be considered for the next examination in October.

Condominiums (Sec. 514.1 through 514-55 HRS)

(See FIRST ATTACHMENT)

Investigations:

RE-318 Robert W. Lucas

Chairman reported on the June 24, 1969 information gathering session with all interested parties present. The record of this informal meeting is to show that the Chairman and Vice-Chairman were satisfied that the broker did not demonstrate bad faith in his dealings. It is the opinion of the Commission that nothing further can be done to assist the complainant and that no further action is to be taken on this matter.

RE-328 Mahina Surf

The notice setting this matter down for a hearing has been prepared and is in channels to the Attorney General for his review.

RE-329 Condominium Hawaii, Inc.

The notice setting this case down for a hearing has been prepared and is being processed for review and advisement of the Attorney General.

RE-340 Morris Moche

The matter of hearing the applicant for a real estate salesman license has been set down for July 2, 1969 in the Board Room. All commissioners are to sit for these formal proceedings.

RE-341 Action Realty, Inc./Detsy J. Christian, RPB

Mr. Sodetani reports that a spot-check of the Wailuku Hotel lobby operations show that this licensee is still conducting real estate activities in a manner that is in violation of effective law and regulation.

The respondent broker is to be advised that she is found in violation and that she is warned to stop such acts at once. If after ten days the broker does not comply with the Commission's instructions, immediate steps will be taken to bring this misconduct into a hearing and disciplinary proceedings.

A copy of the warning letter is to be forwarded to the Investigators in the County of Maui.

RE-342 Herbert K. Horita Realty

Commission agreed that no action be taken on the matter. The respondent broker is to be advised that the complaint has been filed,

it was carefully reviewed by the Commission and the consensus is that the broker should establish more definite lines of communications with his sales force in transacting and selling from model homes in tract developments.

RE-343 Goldman-Pacific Corporation

The Developer is to be advised that the Commission has taken the complaint under study and it appears that there is a technical violation of Rule 9, Condominium Rules and Regulations. It is recommended that hereafter, if he is considering an announcement by means of a posted sign, that he submit to the Commission a picture of the sign and the language he intends to use in order to be in compliance with the condominium law and regulations.

RE-344 Windward Oahu Realty Co.

The Commission heard the green memorandum report on this complaint and agreed that no action is to be taken. According to the information in the investigation report there was a technical breach of the rental agreement prior to the expiration of the term and since there was a termination in the complainant's occupancy the broker was within his rights to retain and use the \$25.00 to advertise and solicit for a new tenant.

New  
Business:

Corporations, Partnerships, DEAs and Branch Office

Corporation

Betty Wilson, Inc.  
Tie, Inc. dba Tie Realty  
American Land Corporation  
Hawaiian Land Mart Realty, Inc.

Principal Broker

Elizabeth C. Wilson  
Charles A. Shipman  
Jesse N. Dela Cruz  
Theodore Y. H. Loo

Partnership

(None)

DEAs

Snow & Associates  
Gordon Crabtree & Associates

Jerry L. Snow, dba  
Gordon W. Crabtree, dba

Branch Offices

Portrait of Homes, Inc. Br.  
(Kalakaua Avenue)

Yuki Kajiwara, BIC

Island Homes, Br. (Financial Plaza) John N. Phelps, BIC  
Shirley Olds, Inc., Br. (Kailua, Oahu) Mildred C. Palmer, BIC

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

Motion carried unanimously.

The application for broker license of International Condominium and Land Exchange, Inc. and the application for real estate salesman license of Adrianus Holgen are to be processed for re-examination by the Commission.

If upon review of the two files there appears to be merit in structuring an information gathering session with the parties, the Chairman will instruct the Executive Secretary to establish a conference date and time.

Minutes:

The Commission acknowledged that Mr. Yamanaka did not attend the May 27, 1969 meeting. Further, the proceedings of the last meeting are to reflect at Page 2, RE-333, Corbett-Tharp, Inc. that the investigation report correctly showed that the assignment of lease had been recorded. The understanding is that the complainant is to be advised that his allegation, on this point, was inaccurate.

UPON MOTION, the Commission approved the minutes of May 27, 1969, with the above corrections.

Motion carried unanimously.

Miscellaneous:Real Estate Research/Real Estate Education Program

The Chairman acknowledged that the master Agreement and the Project Approval Agreement had been signed by Dean Hook, College of Business Administration in his offices at the University on June 17, 1969.

The Executive Secretary announced that reproductions of the two agreements had been promulgated to all interested parties throughout the State.

Professor Donald W. Bell, present for this part of the agenda, spoke on the impending problem of securing a programmer for the Characteristics Study. He recommended that the termination date of the Project Approval Agreement be extended.

UPON MOTION, the Commission ruled that the termination date of the Project Approval Agreement be extended to November 1, 1969.

Motion carried unanimously.

Real Estate Recovery Fund

On June 20, 1969, the Executive Secretary, on instructions of William H. C. Young, advised Professor Bell that the following funds are available to be transferred at the time noted:

<u>Date</u>	<u>Amount</u>
6/20/69	\$3,568.75
6/23/69	250.00
7/13/69	1,150.00
8/10/69	2,150.00

It was Mr. Young's suggestion that an immediate transfer of \$3,500.00 be made to the University with the balance of \$2,500.00 to be transferred on or about August 15, 1969.

The Commission accepted the report and authorized approval of the recommendation of Mr. Young.

Educational Advisory Committee

As designated by the Commission, Mr. Sodetani will serve as Chairman of this group. The development of either a series of short-range attainable objectives or the production of a long-range real estate educational program will be the mission of the Committee under Mr. Sodetani's direction.

Chairman Palk suggested that the Commission should formulate a "blueprint" for the short-range and long-range educational program. The development of such a plan might be the principal business for the Commission at its next meeting on Kauai. Consideration should be given to reviewing the Commission's examinations and a sub-committee of Mr. Isonaga, Mr. Yamanaka and Mr. Jenkins was structured to conduct periodic reviews of examination questions, answers and procedures.

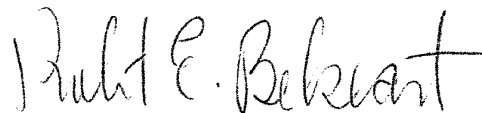
Mr. Sodetani requested that the Executive Secretary prepare a roster of all known private schools or brokers that offer courses for those who intend to take the broker or salesman examination. Of particular interest to the Maui commissioner is the great number of advertisements and notices that have recently appeared in the newspapers offering "cram" type courses for enrollees.

Date of  
Next  
Meeting:

The Commission agreed that its next meeting would be conducted in the County of Kauai. The Executive Secretary is to work with Mr. Jenkins for the arrangements of the July 24 (Thursday), July 25 (Friday) and July 26 (Saturday) meeting in the County of Kauai. A public meeting for all Garden Island licensees would be one of the principal parts of the agenda.

Adjournment:

There being no further business to transact, the Chairman declared the meeting adjourned at 6:00 p.m.



ROBT E. BEKEART  
Executive Secretary

REB:sw  
7/24/69

Att.