

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

MINUTES OF MEETING

Date: Wednesday, September 24, 1969

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

Present: Herbert S. Isonaga (Oahu) Chairman      Harold J. Silva (Oahu)  
Louis Cannclora (Oahu)                      Hiromu Yamanaka (Hawaii)  
Irving A. Jenkins (Kauai)                      William H. C. Young (Oahu)

Robt E. Bekeart, Executive Secretary

Marcus G. Ingle, representing Real Estate Association of Hawaii  
Jack K. Palk, President, Honolulu Board of Realtors  
George A. Morris, Jr., Executive Vice-President, Honolulu Board  
of Realtors

Absent: Douglas R. Sodetani, Vice-Chairman (Maui) - out of state

Call to Order: There being a quorum, the meeting was called to order at 2:00 p.m.  
with Mr. Isonaga in the Chair.

Minutes: UPON MOTION, the Commission approved the minutes of the Thursday,  
August 28, 1969 meeting.

Motion carried unanimously.

Business                      Licensing (Sec. 467.1 through 467.26 HRS)  
Out of                              The Commission reviewed existing requirements that corporations  
Minutes:                              and partnerships must meet in seeking the broker license.  
Particularly attention, this day, is directed to the problem  
where the surname of unlicensed person appears in the title,  
trade name or symbol of the applicant corporation or partnership.

Letters seeking a policy determination on this matter, from the  
Honolulu Board of Realtors and the law firm of Padgett, Greeley,  
Marumoto and Akinaka (attorneys for the applicant Norris, Beggs,  
Simpson, Ltd.) were studied.

Discussion followed.

The Commission agreed that a framework is to be created against  
which the individual application for corporation or partnership  
broker license could be tested. Each such application is to be  
considered on its own merits, but perimeters were established to  
assist the staff in screening and processing applications.  
Examination of documents would include (1) determination that  
the applicant has had a record of good reputation for a period of  
ten (10) years and has experienced interstate licensing with other  
Commissions, (2) every non-resident applicant shall file an  
irrevocable consent that legal actions may be commenced against  
him in Hawaii in which a cause of action may arise (this may be

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an existing requirement now enforced by the Business Registration Division who processes registrations of foreign corporations.

In concluding the discussion, the Commission decided that the authority vested in the nominated Principal Broker for the applicant corporation or partnership must follow existing practices where the Suggested Form of Resolution is executed and filed with the application setting forth the duties and responsibilities of the Principal Broker.

UPON MOTION, the Commission approved the broker application of Norris, Beggs, Simpson, Ltd. and directed that the license sought be issued, with Tan Tek Lum designated as Principal Broker.

Motion carried unanimously.

Condominium (Sec. 514.1 through 514.55 HRS)

Condominium Status Table - August 28 to September 24, 1969

(Sec ATTACHMENT)

The Dilrock - Eastern Company, South Kohala development

Awaiting advisement from Department of the Attorney General in response to May 22, 1969 request for opinion.

Investigations: RE-328, Harold Singleton - MAHINA SURF condominium

The file has been transmitted to the office of the County Attorney, Maui County, where it is undergoing examination and possible disciplinary action.

RE-329, Condominium Hawaii, Inc. - KAHALA TOWERS condominium

The draft of notice of hearing and setting down the charges rests with the Department of the Attorney General. Review of the notice is completed and draft is to be returned to the staff shortly.

RE-345, Bishop Realty, Inc. - KAHALA BEACH condominium

In the matter of the complaint of Mr. and Mrs. R. M. McChesney, the Commission enters the determination that the Principal Broker is to be advised of the shortcomings in exercising the required supervision and control over his employed licensees.

In any future situation where a similar pattern of misconduct the Commission would be obligated to pursue such infractions more strenuously.

RE-346, Interstate Realty Corporation

In the matter of Mrs. Sarah Allbritton's complaint against this firm, the Commission feels that the Department of the Attorney General should examine this case and counsel the regulatory body accordingly. The complexities of the Real Estate Recovery Act are to be clarified and the Commission's position in future actions of this kind must be determined.

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RE-346, MAGELLAN Condominium Project

The Commission decided that the complaint of Mr. Heinz Gunther-Pink, in which he charged that there was misrepresentation in his negotiations and purchase of an apartment, is to be dismissed.

The Commission finds that the merchandising broker, Bishop Realty, Inc., again erred in not exercising proper control and supervision over its licensed employees. In particular the record shows clearly that the failure to withdraw the questionable bi-fold, multi-colored brochure, when an error was noticed, was unquestionably a breach of good conduct.

The Developer is to be advised of the Commission's concern in this matter and instructed that in future condominium offering plans explicit instructions are to be given to those who are employed at the display apartment sales facility.

RE-348, Tropic Isles Realty

The Commission concludes that Mrs. James (Raynette) Ing has a private claim which she should pursue through the services of a competent attorney.

The regulators find no violation of effective statute or regulations.

RE-349, James Kumashiro

It is apparent that after restitution of one hundred eighty-five dollars the matter was settled to the satisfaction of all parties.

The complainant is to be advised accordingly.

RE-355, Raymond J. Proctor

The matter is to be set down for a hearing before Messrs. Cancellor and Young.

RE-359, Portrait of Homes

Mr. Yamanaka discussed his conversation with Francis Gota, East Hawaii investigator. It would appear that this operation, as described by Mr. Yamanaka, borders on unlicensed activity and although the Commission has no evidence or facts on which to pursue such activity further, the respondent should make every effort to establish internal policies and procedures which would limit exposures like this in the future.

It was moved, duly seconded and carried, that a check is to be made to determine if salary/income or tax obligations have been filed for this Portrait of Homes branch operation in the State of Hawaii. The examination would embrace such questions as: Is the "salary" of the person performing these public relations duties consistent? Are there fluctuations in his income as reported? How do the state authorities administering Tax Laws and Labor and Industrial Relations statutes and regulations see such an operation? Are these "commissions" involved and is he paid if his efforts are successful in getting prospective purchasers to buy?

Adrianus Holgren

The applicant for salesman license is to be advised that the Commission intends to withhold issuance of the salesman permit pending the outcome of the cases involving his activities with Instant Homes, an unlicensed contracting operation under investigation by the Contractors License Board.

If he seeks a hearing before the Commission on this matter, the avenue is open to him under the Administrative Procedure Act.

New Business: Licensing

Corporation

Principal Broker

Great Pacific Mortgage Corp.  
Harold Kam, Inc.  
Tom Pico, Inc.  
United Financial Corp.

Von Hulu Donlin  
Harold Y. K. Kam  
Thomas M. Pico

(change of name, formerly Don Miguel Realty, Inc.)

Partnership

(none)

DBA

(none)

Branch Office

(none)

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.

Miscellaneous: 1970 Western District NARELLO Conference

Chairman Isonaga reported that it has been proposed to hold the regional meeting in June at a site in Honolulu.

The Chairman has the responsibility of handling arrangements and it was the feeling of the members that the immediate past chairman, Mr. Jack Palk, would serve in a liaison role between the organized real estate industry and those planning the conference.

1969 NARELLO Conference

Paperwork has been processed for Mr. William H. C. Young to represent Hawaii at the 41st Annual NARELLO Conference, Jack Tar Hotel, San Francisco, during period November 3 through 8, 1969.

Real Estate Recovery Fund

Director of the Budget, Mr. Hiram Kamaka, in his letter of September 19, 1969 to the Chairman expressed general agreement with the Commission's proposal to seek improvement in the investment and reinvestment program.

The Chairman and Mr. Young will explore the matter in person with the Budget Director and report to Commission at the next meeting.

Review of October 28, 1969 Salesman Examination

A sub-committee of Mr. Isonaga, Mr. Sodegami and Mr. Young is structured to sit with the Examination Branch technicians to review the library or bank of questions that will make up the next test. First meeting is tentatively scheduled for October 7, 1969.

1970 Legislative Program

Mr. Cannelora agrees to serve as Chairman of the Commission's sub-committee (to be formed) to review legislative proposals that are to be considered.

The Commission is of the opinion that certain sections of the condominium law must be examined in light of the increase in complaints which are founded on allegations of misrepresentation.

Embracing the objectives of the Commission's educational programs into the legislative effort is also to be considered.

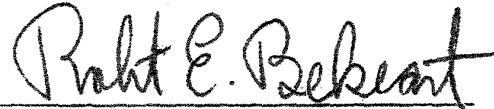
Date of  
Next Meeting:

The Educational Advisory Committee will meet at 9:30 a.m. on Thursday, October 30, 1969.

Regular Commission meeting will convene at 2:00 p.m. in the Board Room on the same day.

Adjournment:

There being no further business to transact, the Chairman declared the meeting adjourned at 4:00 p.m.



ROBT E. BEKEART  
Executive Secretary

REB:km  
11/13/69  
Attachment