

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

MINUTES OF MEETING

Date: Monday, December 22, 1969

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

Present: Herbert S. Isonaga (Oahu) Chairman Harold J. Silva (Oahu)
 Douglas R. Sodetani (Maui) Vice Chairman Hiromu Yamanaka (Hawaii)
 Louis Cannelora (Oahu) William H. C. Young (Oahu)
 Irving A. Jenkins (Kauai)

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

Donald W. Bell, Assistant Professor, School of Travel Industry
 Management, College of Business Administration, University of
 Hawaii

Mr. James H. S. Choi, Deputy Attorney General, stated that at the
 end of the calendar year he was leaving public service for private
 business commitments. He introduced Mr. Jeffrey N. Watanabe,
 Deputy Attorney General, who will serve as the Commission's legal
 counsel after January 1, 1970.

Absent: George H. Morris, Jr., Executive Vice President, Honolulu Board
 of Realtors
 Marcus Ingle, Real Estate Association of Hawaii

Call to Order: There being a quorum, the meeting was called to order at 2:10 p.m.
 with Mr. Isonaga in the Chair.

The normal order of business was set aside in favor of Professor
 Bell's commitment to another meeting. The Commission proceeded
 to consider its real estate research and real estate education
 program and the preparations that should be made for the 1970
 General Session, Fifth Legislature, which convenes January 21, 1970.

Professor Bell - he sees an immediate objective as extracting from
 the returned questionnaires, through electronic data processing
 in summary form, such information and data to support the Commission's
 legislative program in the area of real estate education require-
 ments. He queries what format should the information be presented
 in and what two, three, four or more tables should be prepared for
 use when the Legislature convenes. Preliminarily he has set
 three broad headings that the legislators may be responsive to,
 they are (a) educational background of licensee--formal or informal,
 education or training while in the real estate business; (b) time
 and or income of individual licensee, such a correlation to show

active/part-time engagement v. income; and (c) other engagement or activity outside of the real estate. In reporting on his efforts to conclude the Characteristics Study of Licensees he states that with monies now available through the Real Estate Education Fund (No. T-905-R) it appears that continuing research responsibilities on the Project Coordinator warrant the investigation into how a new or third-of-a-position could be authorized and funded within program budget perimeters of the University of Hawaii.

Chairman - the Commission must establish its time frame between now and the date the Legislature convenes in order to identify, with specificity, the areas or sections in the real estate licensing statute that are to be amended in order to effectuate the first objectives of the Commission's program or blueprint. He suggests that by mid-January the Educational Advisory Committee should have, in draft or preliminary form, its proposal for a plan of action, then towards the end of January, in the early days of the legislative session the Commission would move to put the plan of action, as accepted or approved, into the hopper--soliciting assistance from elected officials favorably inclined to the Commission's long range program. It was agreed that two meetings are to be scheduled. On Monday, January 29, 1970, at 1:30 p.m., the Oahu members will confer with Professor Bell for the purpose of reviewing information he has extracted in tabular form from a preliminary examination of responses to the questionnaire under the "three broad headings" discussed. The second meeting, on Friday, January 9, 1970, will bring the Educational Advisory Committee together for the purpose of establishing a plan of legislative action.

Mr. Sodehani, as Chairman of the Educational Advisory Committee, suggests that the second meeting include representatives from the Department of Education (Accreditation and Licensing of Private Schools Branch and Adult Education Branch) and the Community College System of the University of Hawaii. Professor Bell stated that he would be responsible for having a representative present from the Community College administration.

Real Estate
Recovery Fund:

First Circuit Court Civil 27045, Allbritton vs. Interstate Realty Corp.

Mr. James H. S. Choi, Deputy Attorney General, briefed the commissioners on the background of this case and the status of the claim against the recovery fund now in the court system.

UPON MOTION the Commission decided that the Department of the Attorney General do whatever is deemed appropriate in the case towards making certain that Mrs. Allbritton does not obtain a court order requiring payment from the Recovery Fund until and unless she has shown herself entitled to it.

In discussion the commissioners noted that procedures should be established regarding receipt of any communications, notices, correspondence or otherwise in claims being made against the Recovery Fund. It was agreed that when notice is served on the staff a copy will be made of same for immediate referral to the Attorney General and at the same time the Investigation Branch will start an investigation on the act or acts of misconduct on which the claim is founded.

Motion carried unanimously.

UPON MOTION the Commission agreed to empower the Chairman with the authority to sign or execute any documents or legal papers as suggested or required by the Attorney General in pursuit of that department's efforts to do whatever is necessary to make certain that Mrs. Allbritton does not obtain a court order as recited in the motion immediately above.

Motion carried unanimously.

Changes to Rules and Regulations - Inquiry On

The Commission asked Mr. Choi if he has had an opportunity to research those two areas that were noted as being of concern at the August 28, 1969 meeting.

- a. Does the Commission have the authority under the licensing statute to adopt rules and regulations that would permit it to establish certain prerequisites of an educational nature for those seeking a license as a real estate salesman or a real estate broker?
- b. Can the Commission pass rules and regulations to accredit private schools who offer real estate courses for those who are preparing for the examinations or seeking self-improvement?

Mr. Choi was of the opinion that perhaps his relief, Mr. Watanabe, could examine what research has been conducted to date and possibly move on to an advisement to the Commission on these two inquiries.

Minutes:

UPON MOTION, the Commission approved the minutes of Monday, Tuesday and Wednesday, November 17, 18 and 19, 1969.

Motion carried unanimously.

Business Out of Minutes:

Licensing (Sec. 467.1 through 467.26, HRS)

October 28, 1969 Examination

Examination Branch Statistics on applicants appearing for

examination are as follows:

	<u>Broker</u>	<u>Salesman</u>
County of Hawaii (Kailua-Kona)	5	18
County of Hawaii (Hilo)	2	33
City & County of Honolulu	117	446
County of Kauai	1	5
County of Maui	<u>5</u>	<u>31</u>
Total	130	533

The Executive Secretary presented FIRST ATTACHMENT showing the list of successful candidates for the real estate broker's examination October 28, 1969.

UPON MOTION, the Commission ruled that the following applicants for real estate broker license, being marginal numbers 1 through 38, were found qualified in the October 28, 1969 written examination.

(see FIRST ATTACHMENT)

Motion carried unanimously.

The Executive Secretary presented SECOND ATTACHMENT showing the list of successful candidates for the real estate salesman's examination October 28, 1969. Under reexamination of two candidates performance in the key word or true or false statements, Maria G. Lessard, 202 South Drive, Honolulu, and Alan R. Tyler, RR1, Box 125, Captain Cook, Hawaii, were added to the exposed draft list that was distributed to the members on November 28, 1969.

UPON MOTION, the Commission ruled that the following applicants for real estate salesman license, being marginal numbers 1 through 256, were found qualified in the October 28, 1969 written examination.

(see SECOND ATTACHMENT)

Motion carried unanimously.

Candidate Performance Study - Residential Listing Contract and DROA Sections

The Chairman had asked the Examination Branch to report on the number of candidates who scored above the minimum passing score and did not meet the 15 out of 20 requirements on the listing and DROA sections.

The Examination Branch reported that in the broker test there would be no change in the final result. For the salesman examination 22 candidates attained 75% or better in their total scores but failed in the listing and DROA sections.

The Commission accepted the report.

Minutes of Meeting of December 22, 1969

The 1970 Examination Schedule as presented by the Executive Secretary was accepted with approval.

<u>Deadline</u>	<u>Examination</u>
January 23 (FRI)	February 24 (TUES)
May 28 (THUR)	June 30 (TUES)
September 28 (MON)	October 27 (TUES)

Condominiums (Sec. 514.1 through 514.55, HRS)

Condominium registrations and public report statistics for period November 19 through December 22, 1969.

(see ATTACHMENT)

Investigations:

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

Hearing is set for January 22, 1970 at 9:30 a.m. before Messrs. Cannelora and Young as hearing officers.

RE-350 Chase Pacific, Inc.

Investigation is to be re-opened for purpose of gathering additional information to complete the file. Broker Young is to be questioned on his writing up or drafting the original contract offer to lease.

RE-355 Raymond J. Proctor

The Hearing Officers have studied the file, reviewed the positions put into the record at the hearing and are preparing their Conclusions of Law, Findings of fact and Recommendations.

RE-359 Portrait of Homes, Inc.

Further investigation into this matter by the Honolulu based investigators is requested. A check is to be made at the principal office of the firm to determine if the income trace for this Hilo, Hawaii, based employee is on a consistent level. The inquiry should develop, from the Honolulu office records, whether Owen Ariki's income fluctuates or can be correlated against subdivision lot sales that he has been responsible for by representing Portrait of Homes, Inc., in the County of Hawaii.

RE-361 Richard Dollnig

The Respondent, under his December 4, 1969 letter, has requested a hearing. It was agreed that this denial of a real estate salesman license should come on for a hearing.

RE-362 Betsy Christian/Action Realty, Inc.

The matter of the Respondent broker commingling her principal's money has been alleged and the Commission deems that this matter be set down for a hearing.

RE-363 Floyd Kaneshiro

The Respondent will be asked to present himself at the next Commission meeting for an information gathering session at which he is to explain his action on why he didn't carry out the alleged oral agreement he made with the complainants.

RE-367 Earl Thacker Co.

Having considered the case the Commission ruled that it be dismissed. The investigation report was reviewed and on the basis of the information therein it was agreed that this is not a case for the Commission to exercise its jurisdiction in. On the facts available in the report, there is no evidence that the licensing law has been breached.

RE-368 Patricia A. Smith (aka Pat McCool)

Having reviewed the investigation report, the Commission concluded that on the information and facts therein the matter is to be set down for a hearing. It was suggested that the Respondent be charged with failing to account for funds entrusted to her within a reasonable time. Further the Respondent's employing broker is to be found in misconduct for not exercising adequate supervision and control over the activities of the salesman in question.

RE-375 Betsy Christian/Action Realty, Inc.

The matter of the Respondent broker failing to account, within a reasonable time, for moneys belonging to others which were in her possession and under her control warrants that this matter be set down for a hearing.

Adrianus Holgen

The Respondent's request that he be granted a hearing was accepted with approval by the Commission. Performing hearing officers duties will be Messrs. Jenkins and Silva.

Files RE-361, RE-362 and RE-375 will be prepared for a hearing to be conducted on the same date at a Maui location that is to be selected with Messrs. Sodehani and Silva serving as hearing officers.

New Business:

Licensing

Corporation

Principal Broker

Investment Properties Corp.	Sheong Hee
Pioneer Realty dba Mauna Kea Realty	Dorothy B. Willers
Locations, Incorporated	William S. Chee
Blackfield Hawaii Corporation	Clarence R. Short

Branch Office

Portrait of Homes, BR-5 (Hilo)	Paul A. Schattauer, BIC
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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: Commission's Real Estate Research and Education Program
(Covered during the opening part of the agenda with Professor Bell's report on extracts from the Characteristic and Profile Study Report.)

Educational Advisory Committee
Chairman Sodetani announced that he is expecting the Executive Secretary to finalize the preliminary reports now in hand from surveying private schools and larger broker firms regarding accrediting of schools and qualifications of instructors.

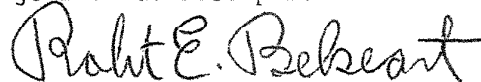
Also the reports from most of the NARELLO states and provinces have been received on private schools accreditation, licensing and controls, it can be expected that these statistics will be part in presentable format shortly.

1970 Legislative Program
The pool of attorneys who study the condominium law for possible improvements has been structured. A meeting to discuss proposed amendments to the Horizontal Property Act is to be held in the not too distant future.

1970 Western District NARELLO Conference
Determination is to be made on what specific role or assignments the Hawaii commissioners are going to fulfill in this summer meeting. Chairman Isonaga is moving ahead with preliminary planning for the approximate 35 regulators that are expected to attend.

Date of Next Meeting: Thursday, January 29, 1970, at 2:00 p.m.

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



ROBT E. BEKEART, Executive Secretary