

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

MINUTES OF MEETING

Date: Tuesday, November 24, 1970

Place: Board Room, Department of Regulatory Agencies, 1010 Richards Street, Honolulu, Hawaii

Present: Herbert S. Isonaga, Chairman  
Douglas R. Sodehani, Vice Chairman  
Harold Silva, Member  
John Texeira, Member  
William H. C. Young, Member

Jeffrey N. Watanabe, Deputy Attorney General  
Gary Shigemura, Deputy Attorney General  
Sidney Ayabe, Deputy Attorney General  
Yukio Higuchi, Executive Secretary

Wesley Charlton, Hawaii Real Estate Association

Absent: Louis Cannelora, Member  
Hiromu Yamanaka, Member (Mainland)

Call to Order: There being a quorum, Chairman Isonaga called the meeting to order at 2:10 p.m.

Reading of Minutes: Upon motion, the minutes of the October 14, 1970 meeting were approved as circulated.

So as not to detain the Deputy Attorney General, Chairman Isonaga deviated from the meeting agenda to allow all three Deputies an opportunity to speak on their subject matter.

AMENDMENTS TO RECOVERY FUND ACT

Deputy Attorney General Jeffrey Watanabe reported that he is still working on the proposed amendments to the Real Estate Recovery Fund provisions for the Commission.

RECOVERY FUND LEGAL COUNSEL

Deputy Attorney General Watanabe also reported that he has discussed with and has the approval of the Attorney General and Mr. Edwin Honda, Director of Regulatory Agencies, to pursue his idea of having a private attorney represent the Commission on all legal matters relating to claims against the Recovery Fund. He will draft the contract to be used in retaining a private attorney. Deputy Attorney General Watanabe briefly explained that under the contractual arrangement, the Attorney General will have veto powers over the Commission's attorney. Fees to be paid to the attorney will come from the Recovery Fund.

Upon motion, the Commission agreed in principle with Deputy Attorney General Watanabe's recommendation that the Commission retain a private attorney on contractual basis to handle all Recovery Fund claims. The attorney to be selected by the Commission with the approval of the Attorney General and the Director of Regulatory Agencies. Legal fees to be set at \$25.00 per hour plus negotiable court appearance fees. The funds for fees to be made available from the Recovery Fund.

Deputy Attorney General Watanabe was requested to submit his proposals and recommendations in writing to the Commission.

HAMADA VS. BATES LEN (Civil No. 30113)

Deputy Attorney General Watanabe made a report of the Hamada vs. Bates Len case which was ruled in favor of Hamada. He requested that the Commission decide whether or not an appeal of the court judgment will be made by the Attorney General on behalf of the Commission.

Upon motion, the Commission decided that no appeal be made against the judgment in the Hamada vs. Bates Len case.

The Commission may appeal the amount of judgment at an appropriate time.

GROWTH INTERNATIONAL REALTY (RE-279 and 283)

Deputy Attorney General Watanabe made a report of the hearing that was to be processed against Growth International Realty for allowing unlicensed persons to sell undivided interest in Australian land. He advised the Commission of a recent Attorney General's opinion which considers the sale of undivided interest in real estate as sale of security. In view of the recent opinion, Deputy Attorney General Watanabe referred this matter to the Director of Regulatory Agencies with his recommendation that this matter be pursued as sales of securities rather than real estate.

Upon motion, the Commission decided to request that the Director of Regulatory Agencies follow the recommendation of the Attorney General and refer the matter immediately to the Business Registration Division for appropriate action.

LEON CAVASSO VS. CORBETT-THARP, INC. dba HAWAII HOMES (Civil No. 31361)

Deputy Attorney General Gary Shigemura gave a progress report on the suit filed in the Circuit Court by Cavasso which will undoubtedly result in payment from the Recovery Fund should Cavasso win judgment. Deputy Attorney General Shigemura requested that the Commission reconsider its earlier position of disfavoring a settlement with

Cavasso. It was the opinion of the Attorney General's Office that the Commission would reduce payment from the Recovery Fund considerably by reaching settlement.

By unanimous agreement, the Commission agreed to defer action on Deputy Attorney General Shigemura's request until the next Commission meeting.

AL CHING, INC.

Deputy Attorney General Sidney Ayabe advised the Commission that he has been assigned this case, which may be unlicensed activity by Al Ching, Inc. in reference to their sale of condominium units in the Princess Leilani as developer-owner. Deputy Attorney General Ayabe gave a report of the research he is conducting on this matter.

Upon motion, the Commission requested that Deputy Attorney General Ayabe pursue this matter for prosecution.

Business Out  
of Minutes:

Real Estate Education Project

Douglas Sodetani, Chairman of the Educational Task Force Committee, gave a brief report of the Committee meeting held at 9:30 a.m. on November 24, 1970. The Commission was advised that the Committee will meet again on December 22, 1970 at 9:30 a.m., at which time, Professor Donald Bell and Dr. Edward Laitila, of the University of Hawaii, will present a report of short-range and long-range educational programs and goals for the Commission's consideration.

NARELLO National Conference

The Commission accepted the Executive Secretary's report of November 4, 1970, on the NARELLO National Conference held in New Orleans in October, 1970, as circulated.

Claims Against Real Estate Recovery Fund :

Leon Cavasso vs. Corbett-Tharp, Inc. dba Hawaii Homes (Civil No. 31361)

This matter was discussed earlier by Deputy Attorney General Gary Shigemura.

Hamada, et al vs. Bates Len (Civil No. 30113)

This matter was discussed earlier by Deputy Attorney General Jeffrey Watanabe.

Investiga-  
tions:

R.E.-368 Patricia A. Smith (aka Pat McCool)

Executive Secretary reported that the hearing on Patricia Smith was heard on November 18, 1970, by hearing officers, Herbert Isonaga and William Young. A draft of the hearing findings and recommendations has been prepared for the hearing officers' review and will be sent out in accordance with the procedural rules.

R.E.-388, 395 and 396 Romeo Esperanza

Executive Secretary reported that the Licensing Administrator has prepared a draft of the hearing notice to be forwarded to the Attorney General for review and approval. William Young and John Texeira are the assigned hearing officers.

R.E.-279 and 283 Growth International Realty

This matter was discussed earlier by Deputy Attorney General Jeffrey Watanabe.

Hale Pau Hana (Condominium), Reg. No. 175

Executive Secretary reported that this matter will be transmitted to the Attorney General for review and approval for prosecution.

R.E.-405 Clarence S. L. Tam

Executive Secretary reported that the Licensing Administrator has prepared a draft of the hearing notice to be forwarded to the Attorney General for review and approval. Douglas Sodetani and Harold Silva are the assigned hearing officers.

R.E.-401 Barbara Odor Realty

Upon motion, the Commission found no violation by Barbara Odor and considered this matter closed.

R.E.-408 Lewis Realty

Upon motion, the Commission considered this matter closed inasmuch as complainant had been satisfied.

R.E.-412 Tsugio Tanigawa

Action on this matter was deferred pending court action on March 8, 1971.

R.E.-417 Lewis Realty

Upon motion, the Commission decided to request Russell G. Lewis, dba Lewis Realty, to appear before the Commission at its next

meeting to discuss matters pertaining to the number of complaints filed against him. Action on this matter was deferred until Lewis appears before the Commission.

R.E.-422 Lewis Realty

Action on this matter was deferred until the Commission meets with Russell G. Lewis, dba Lewis Realty, at its next meeting.

New Business: October 27, 1970 - Real Estate Examination Result

Upon motion, the Commission approved the list of Successful Candidates of the October 27, 1970 examination. (One copy of the list is made a part of these minutes.)

Licensing:

Corporation

Hawaiiana Realty & Management, Inc.	Larry L. Bortles, PB
Harris Realty, Inc.	Kenneth W. Harris, PB

Branch Office

Lewis & Carty, Inc., BR-1	Douglas M. Carty, BIC
Growth International Realty, Inc., BR-1 (Hilo)	Oscar Nishihara, BIC

DBA

Bassil I. Dunn, Broker	Bassil I. Dunn, dba
Lowson and Associates	James M. Lowson, dba

Upon motion, the Commission decided to hold up the issuance of a branch office license to Growth International Realty, Inc., BR-1 (Hilo) pending check on the principal broker of the main office, and settlement of the problem related to Australian land sales.

Upon motion, the license processing of the above, with the exception of Growth International Realty, Inc., BR-1, as tentatively authorized by the Licensing Administrator were approved.

Questionable Applications:

Clifford Oh (Broker)

Upon motion, the Commission decided to grant Clifford Oh an audience before the Commission at its next meeting to present his case as to why he should be allowed to sit for the broker examination under waiver of Section 467-8 (6), H.R.S.

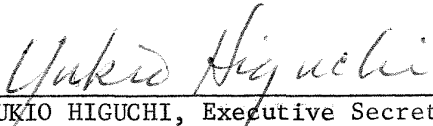
Marie D. Henderson (Salesman)

Upon motion, the Commission decided to have Marie D. Henderson appear before the Commission at its next meeting to discuss her application for a salesman license inasmuch as her Abstract of Criminal Record shows some derogatory entries in recent years.

Next Meeting: Friday, January 8, 1971 at 2:00 p.m.

Adjournment: There being no further business, the meeting was adjourned at 5:15 p.m.

Recorded by

  
YUKIO HIGUCHI, Executive Secretary

YH:rh  
12/18/70