

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

MINUTES OF MEETING

Date: Friday, November 21, 1980

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

Present: G. A. "Red" Morris, Chairman
Edwin H. Shiroma, Vice Chrm
Joseph F. Blanco, Member
Tadayoshi Ishizu, Member
Toru Kawakami, Member
Ralph S. Yagi, Member
Gregg T. Yamanaka, Member

Darryl Y. C. Choy, Hearings Officer
Sandy Holck, Real Estate Education Specialist
George Arine, Executive Secretary
Yukio Higuchi, Executive Secretary
Saeko Whang, Secretary

John Spalding, President of RESAH
John Ramsey, representing Crossroads Press
Dr. Richard L. Haney, Jr., Real Estate Chairholder
Mark Willis, applicant for real estate salesman
license

Absent: John M. Urner, Member
Francis N. Kauhane, Member

Call to Order: There being a quorum present, the meeting was
called to order by Chairman G. A. "Red" Morris
at 9:20 a.m.

The Executive Secretary apprised that the agenda
for today's meeting was duly filed on Monday,
November 17, 1980 at the Lt. Governor's office
in compliance with the Sunshine Law.

Minutes: Edwin Shiroma moved and Tadayoshi Ishizu seconded
to approve the minutes of October 31, 1980
as circulated. Motion carried unanimously.

Committee
Reports: Real Estate Education Advisory Council
Real Estate Education Specialist Report
Sandy Holck, Real Estate Education Specialist,
reported as follows:

Commission's News Bulletin

Hope to publish the News Bulletin by either December 12 or 15. Awaiting for some articles to be turned in by members of the Commission.

Real Estate Seminar

Tentative dates have been planned for seminars in 1981, one in March and the other in September.

Real Estate Chairholder

Dr. Richard Haney, Visiting Chairholder in Real Estate, spoke and circulated article on "Prospects for Housing Inflation." He mentioned that housing is going up more rapidly than consumer prices in general.

Laws and Rules Review Committee Report

Chairman Toru Kawakami reported that his Committee met and discussed several changes to Title 16, Chapter 107.

After discussion, Toru Kawakami moved and Tadayoshi Ishizu seconded for the acceptance of the laws and rules committee report. Motion carried unanimously.

HPR Rules and Regulations

Due to possible conflict on this matter, Chairman Morris relinquished the Chair to Vice Chairman Edwin Shiroma.

Following discussion, Toru Kawakami moved and Joseph Blanco seconded to adopt HPR rules, Title 16, Chapter 107, as amended. Motion carried.

Executive Secretary was directed to send thank you letters to Rory H. Hahn of Land Use Research Foundation of Hawaii and Daniel Lee of The Hawaii Association of Realtors for their inputs.

Real Estate Division Study

Executive Secretary reported that Dr. George Ikeda of SSRI had advised that a survey is being conducted on this matter. A package explaining the purpose of the survey was mailed to licensees.

Real Estate Recovery Fund

Invoice for Appraisal of Kona South Estate Subdivision

Executive Secretary reported that he has received an invoice of \$400 submitted by Tadayoshi Ishizu through Sidney Ayabe, real estate recovery fund counsel, for appraisal of Kona South Estates Subdivision.

Executive Secretary briefly gave background information why appraisal was required on this property.

Edwin Shiroma moved and Toru Kawakami seconded to approve payment of the bill immediately. Tadayoshi Ishizu abstained from voting. Motion carried.

Order to Pay on Ronald & Margaret Yoshida vs. Bruce M. & William M. Schooler, Civil No. 57816

By letter dated November 10, 1980, Sidney Ayabe advised the Commission that the court ordered payment of \$8,500 be made to Ronald and Margaret Yoshida against Bruce M. Schooler.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve payment from the Real Estate Recovery Fund. Motion carried unanimously.

Business Out of Minutes:

Questionable Applications

Mark A. Willis (Applicant for salesman license)

Mark Willis appeared for an informal conference with the Commission to discuss his application. After the question and answer period, Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve application of Mark Willis. Motion carried unanimously.

Ian R. Maclaren (Applicant for salesman license)

Executive Secretary read Al Vincent, President of Tropic Shores Realty, letter of explanation as to the reason why the application was

filed late. Joseph Blanco moved and Edwin Shiroma seconded to approve Ian Maclaren's application for real estate salesman license. Motion carried unanimously.

Stephen Staats (Applicant for salesman license)

By letter, Stephen Staats explained the reason as to his late filing inasmuch as E.T.S. had indicated "August" instead of April. Ralph Yagi moved and Edwin Shiroma seconded to approve Staats's application for real estate salesman license. Motion carried unanimously.

Bernice Self (Applicant for restoration of forfeited salesperson license)

Bernice Self's application for restoration of her forfeited real estate salesman's license was denied at the July 28, 1980 meeting. She was notified that she is entitled to a hearing. Subsequently by letter of October 29, 1980, she notified Commission she is unable to come for a hearing and gave her reasons why the Commission should reinstate her license.

After discussion, Edwin Shiroma moved and Toru Kawakami seconded to reaffirm the denial of her application on the basis of Rule 1.8(b). Motion carried unanimously.

Stephanie Zographus
Dale Silver

As requested, Edwin Shiroma moved and Tadayoshi Ishizu seconded to add the above two matters to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Stephanie Zographus (Salesman applicant)

Executive Secretary read Stephanie Zographus' letter from Salt Lake City, stating that if accepted she would like to place her license in an inactive status. Following discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to approve the application of Stephanie Zographus. Motion carried unanimously.

Dale Silver

Dale Silver appeared before the Commission to discuss his application. He waived his rights to a formal hearing in lieu of the informal conference.

After the question and answer period, Edwin Shiroma moved and Toru Kawakami seconded to reaffirm the decision to deny Dale Silver's application on the basis of Rule 3.(f) and also to send a cease and desist letter to him with a "cc" to Silver, Ltd. Motion carried unanimously.

There was a second motion by Tadayoshi Ishizu and seconded by Joseph Blanco to conduct an investigation on Silver, Ltd. for allowing unlicensed activity. Motion carried unanimously.

RE-79-137 Sleeping Giant Realty, Inc.

Respondent filed Exceptions to Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order but chose not to request for oral arguments. State's attorney did not file any arguments to the exceptions.

Gregg Yamanaka moved to amend the Hearings Officer's order, based on the review of the findings of fact and conclusions of law and the severity of the conduct to replace with a 6 months suspension, 5 months of which will be suspended for a period of one year based upon the nonoccurrence of any violation for a year with no option to pay a fine. Edwin Shiroma seconded the motion and unanimously carried.

Ayes: Edwin Shiroma, Tadayoshi Ishizu, Joseph Blanco, Gregg Yamanaka, Toru Kawakami and Ralph Yagi

Investigations:

Ralph Yagi moved and Edwin Shiroma seconded to accept the Complaint Review Committee's recommendations for the following:

RE-79-202 and RE-80-6 Tom Schmidt Realtors

Defer action pending further investigation to ascertain whether Haines-Olaf has been appointed as broker-in-charge of Kona office. If yes, dismiss complaint on basis that it appears

that there is a broker-in-charge of the Kona branch office who resides in the Kona area and who goes into the office approximately 2 or 3 times per week.

RE-80-20 Menefee Management Corp.

To hold a hearing against Menefee Management Corp. and Richard T. Blum, Principal Broker, for possible violation of section 467-14(5) and (7) and Rule 1.3(a) for compensating Paul Rowland, an unlicensed person for providing rental service on behalf of Menefee Management Corp., and for failure to account for monies belonging to others within a reasonable time. Otherwise recommend further investigation to check for possible violations of Rule 1.4.

RE-80-25 Chaney, Inc. and Jim Vierkoetter

Dismiss complaint on the basis of insufficient evidence to substantiate the conflicting stories of both respondent and complainant. Further, that a letter of caution be forwarded to the respondent and complainant and their principal broker to see that all financial obligations and commitments regarding real estate transactions are in writing expressing the exact agreements of the parties, and that copies of such agreements at the time they are executed are placed in the hands of all parties involved.

RE-80-31 Thomas S. Anderson & Robert J. Cartwright

Dismiss complaint on the basis that the advertisement placed by Marketing Directions has been discontinued and the advertising violation has been abated.

RE-80-73 J. M. Urner, Inc.

Proceed to a hearing against Principal Broker and broker-in-charge for possible violation of Rule 1.4(a), (b), (c), and (d); and against Ellen Williams for possible violation of Rule 1.3(f) and 1.4(c). Dismiss all other possible violations pointed out by Investigator as there is no evidence that there was unreasonable delay in accounting for complainant's monies, nor any evidence of commingling, nor was there established any rental management agreement, because Williams did not receive any fee for the management work she did as a favor.

RE-80-98 Oihana Property Management and Sales, Inc. and Board of Directors of Leinaala Condominium

Dismissal of complaint on the basis that investigation revealed that the allegations made by Complainant are management problems and failure of the Board of Directors of Leinaala Condominium to comply with the provisions of their bylaws, which the Commission has no regulatory jurisdiction over. Section 514A-82 only spells out the minimum contents of the bylaws. The enforcement of the bylaws is the function and duty of the association of homeowners through the board of directors.

RE-80-97 Transcott Investment, Inc. and Scott Timberlake

Dismiss complaint on the grounds that investigation reveals that there is insufficient evidence to substantiate the allegations made by complainant and there appears to be no violation of the real estate license law or Commission's rules.

RE-80-100 Island Resort Management, Inc.

Dismiss complaint as investigation revealed that there is no evidence that IRMI had received a security deposit of \$280 from Complainant. Attempts to contact Nyla Jean Linscott, who had signed the Rental Agreement for Hawaiiana Management Company, has failed. Hawaiiana Management Company had no record of Nyla Jean Linscott working for Hawaiiana Management Co. Notify complainant of our findings and suggest that she contact OCP since Linscott is not licensed.

RE-80-102 Inter-Island Properties, Inc. and Harry T. DeGregory

To hold a hearing against Harry T. DeGregory (for the records since license forfeited on 1/1/79) for possible violation of Section 467-14(1), (3), (8), H.R.S., and Rule 1.3(a) of Commission's rules and regulations.

RE-80-124 Bryan G. Pearson

Dismissal of complaint on basis that investigation indicates that it is complainant's word against respondent's word and there appeared to be insufficient evidence to support the allegation of misrepresentation.

RE-80-136 Prosser Realty, Inc.

Dismissal of complaint on the basis that investigation revealed no violation of the real estate license law or Commission's rules.

RE-80-137 Realty Resources of Hawaii, Inc.

A warning letter to cease and desist branch office operation be issued to Realty Resources of Hawaii, Inc. until properly licensed as a branch office and upon compliance, dismiss case.

RE-80-143 Julie Nicholson

Dismissal of case, provided, she complies with the licensing requirement and give warning letter to Nicholson and new principal broker.

Motion carried unanimously.

New Business:

LICENSING

Corporation

Business Dynamics, Inc. dba Pacific Group
Realty - 1413 S. King St., #201, Hon.
J. Allen Perkins, pb

D. H. Goh & Associates, Inc. - 1750 Kalakaua
Dickie H. Goh, pb Ave., #1506, Hon.

The Moore Corporation - 1495 S. King St., #2
Brenda J. Moore, pb Hon.

Startrek Management, Inc. - 1914 S. King St.,
Dexter W. Lum, pb #205, Hon.

U.S. Datalab Management, Inc. - 841 Bishop St.,
Daniel P. Brady, pb #1715, Hon.

Tradename

Centrury 21 Trans Realty - Transcontinental
Enterprises, Inc., dba

Dolphin Realty - Johannes Zeevat, dba

Global Pacific Realty - Hyong J. H. Kuh, dba

Name Change - Corporation

F. H. P. Inc. - formerly First Hawaiian
Properties, Inc.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to ratify action for approval of above applications for corporate, tradename and name change. Motion carried unanimously.

Miscellaneous:

Correspondence from Montreville Blakely regarding Sales of Time Share by Real Estate Licensees

Executive Secretary reported that Montreville Blakely wrote demanding the Commission enforce its real estate licensing law to those who are selling time sharing. Executive Secretary explained that some years ago, the Commission had taken the position that if there was an interval ownership, then the real estate license was required of the sales people; however, on those sale programs consisting of vacation license, club membership or right to use, the Commission felt that because no real estate interest was being conveyed, it didn't require a real estate license.

After discussion, the Commission supported the Executive Secretary's judgment and was directed to respond to Blakely.

Correspondence of Real Estate School Association of Hawaii regarding DOE Non-control

John Spalding, President of RESAH, is asking what the Commission intends to do regarding the DOE non-control of the real estate schools from September 1981.

After discussion, Ralph Yagi moved and Edwin Shiroma seconded to refer this matter to Sandy Holck, real estate education specialist. Motion carried unanimously.

1981 Commission Meeting Dates

Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the 1981 Commission meeting dates, subject to change if found necessary. Motion carried unanimously.

Discussion on Testing Agencies (ETS & ACT)

Ralph Yagi moved and Toru Kawakami seconded to defer this matter to the December meeting in order to have more time to study the written proposal before reaching a decision. Motion carried unanimously.

Correspondence from Hawaii Island Board of Realtors

As requested, Edwin Shiroma moved and Tadayoshi Ishizu seconded to add this matter to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Mrs. Doris Smith, President of Hawaii Island Board of Realtors, requested whether Stuart Wade, a salesman who resides in Puako can be associated with a broker in Hilo.

After much discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to grant approval and allow Stuart Wade to associate with his broker in Hilo. Motion carried unanimously.

Date of Next Meeting:

Friday, December 19, 1980, at 9:00 a.m.
Board Room, 1010 Richards St., Honolulu

Adjournment:

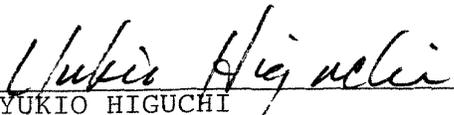
There being no other business to tranact, meeting adjourned at 2:30 p.m.

Taken and recorded by:



Saeko Whang, Secretary

APPROVED:



YUKIO HIGUCHI
Executive Secretary