

REAL ESTATE COMMISSION  
Professional & Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii

MINUTES OF MEETING

Date: Friday, November 19, 1982

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

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

Janice B. Sevilla, Education Officer  
Cynthia T. Alm, Information Officer  
Glenn M. Adachi, Executive Secretary  
Saeko Whang, Secretary

Prof. Jerome Dasso, Present Chairholder  
Ralph Ueoka, Legislative Auditor's Office  
Rae Linguist, Education Officer, Honolulu Board of  
Realtors  
Jeffrey N. Watanabe, Attorney, representing Mauna Lani  
Resort, Inc.  
Benjamin A. Kudo, Attorney, representing Mauna Lani  
Resort, Inc.  
Russell W. O. Lum, Deputy Attorney General  
Robert Alm, Hearings Officer  
Frances E. Higa, Staff Attorney for Department  
Louella King, Applicant for License  
Lily Tang, Applicant for Restoration of License  
Dwight Miyashiro, friend of Lily Tang  
Guy Tamashiro, friend of Lily Tang

Absent: Gloria J. Damron, Member

Call to Order: The meeting was called to order by Chairman G. A.  
"Red" Morris at 9:25 a.m.

The agenda for today's meeting was filed on Tuesday  
November 16, 1982 at the Lt. Governor's office in  
compliance with the Sunshine Law.

Minutes: Upon motion by Toru Kawakami and seconded by Edwin  
Shiroma, Commission unanimously approved the minutes  
of October 22, 1982 as circulated.

Committee Reports: Real Estate Education Report

Education Officer Jan Sevilla gave her monthly report on her activities for November.

January Seminar

There was discussion on possibly expanding speakers for January seminar on "Property Management and Rentals."

Rae Linguist, Education Officer

Rae Linguist from the Honolulu Board of Realtors was introduced to the Commissioners and staff as its Education Officer replacing Sheila Lau.

Education Committee Minutes (Insert with Chairholder's Report)

A seminar is tentatively scheduled for March 1983 on use of calculators for computing time value money, instructed by Dr. Jerome Dasso for instructors of real estate schools.

Education Committee minutes were approved with the addition by Edwin Shiroma seconded by Toru Kawakami. Motion carried unanimously.

Advisory Board

The following names were recommended to the Advisory Board:

Gloria Damron  
Bill Chee  
Bob Vernon  
Wendall Brooks

Nominations for Certificate of Appreciation

Jan Sevilla had compiled the recommendation for a policy guideline with respect to who should receive the certificates of appreciation.

1. Must be past chairman of the real estate commission.
2. A member of the commission who notably contributed service to the real estate commission.

3. Industry or community service person who notably contributed service to the real estate commission or industry.
4. Voted to receive award by majority of members of the real estate commission.

Joseph Blanco moved and Ralph Yagi moved to adopt the guideline policy for certificates of appreciation. Motion carried unanimously.

Toru Kawakami nominated "Buster" Higuchi.

Edwin Shiroma suggested Julian Welke, President of NARELLO, who will be retiring at the end of the year.

Other nominees are as follows:

Jack K. Palk  
Aaron M. Chaney  
Theodore James  
Douglas R. Sodetani  
Herbert S. Isonaga  
Ah Kau Young  
Mary Savio  
John M. Urner  
Tadayoshi Ishizu  
Tany S. Hong  
Wayne Minami

Upon motion by Ralph Yagi and seconded by Toru Kawakami, Commission unanimously approved to send a certificate of appreciation to each of the above names.

#### Real Estate School Instructor

Donald A. Kessler - (s)

Joseph Blanco moved and Gregg Yamanaka seconded to approve certification of real estate salesman instructor to Donald A. Kessler. Motion carried unanimously.

#### Laws and Rules Review Committee

Toru Kawakami reported that Committee received recommendations from Russel Nagata on changes to Rules §16-99-21 and 22. These recommendations will be deferred until it goes for public hearing with all the other amendments.

The changes to the rules pertaining to real estate schools have been moved out for discussion with the schools to get some input, then the comments will go back to the Committee.

The target date for adoption of the rules is July 1, 1983 with public hearing possibly in April.

Investigations:

Joseph Blanco moved and Edwin Shiroma seconded to accept the recommendations of Executive Secretary dated November 16, 1982. Motion carried unanimously.

RE-82-17 Kenneth D. Nadeau dba South Shore Realty

Dismiss complaint with a letter of warning to Respondent to keep Complainant notified of status of the transaction and that escrow should be established as soon as both buyer and seller sign the purchase contract.

RE-82-34, RE-82-35 and RE-82-47 Menefee Management Corporation and Mildred Leroux

That Commission assert jurisdiction in those cases where vacation rentals are being managed by a licensee. Refer case to RICO for disposition.

RE-82-45 Tom F. Schmidt dba Tom Schmidt Realtors

Refer case to RICO for possible violation of §16-99-05(d).

RE-82-69 Vernon Funn, Jr.

Dismiss case.

RE-82-76 Michele Fukuda and Fullservice Realty Maui

Case be referred to RICO for alleged violation of §467-14(1), (2), (3), (4) and (8).

RE-82-82 Bomani J. Kim

Refer case to RICO for possible hearing for alleged violation of Rule 16-99-3 (h).

RE-82-84 Patricia S. Mims

Refer to RICO for hearing for alleged violation of §467-14(6), (7) and (8).

RE-82-101 B. Brownson and Investments Concepts

Dismiss case.

New Business:

LICENSING

Corporation

Anita O., Inc., dba Ouverson Realty - 1750  
Kalakaua Ave., #103, Hon.  
Anita Ouverson, pb

Dynamic Property Management, Inc. - 94-903  
Farrington Hwy, Ste 4, Waipahu  
Gordon E. Grossmann, Jr., pb

Hanahana Unlimited, Inc. dba Akahi Real Estate -  
350 Ward Ave., Ste 106, Hon.  
Bruce R. Vollick, pb

Hawaii Discount Properties, Inc. - 1188 Bishop  
St., #2408, Hon.  
Willis F. Sinsabaugh, pb

Hawaii Loa Ridge Realty, Inc. - 841 Bishop St.  
Joan W. Oren, pb Ste 2102, Hon.

Jet Ventures, Inc. - 350 Ward Ave., Ste 106  
Terry D. Reed, pb Hon.

Televised Real Estate of Maui, Inc. - 840  
Wainee St., Ste E-9, Lahaina  
James R. Helton, pb

Partnership

Bishop\*Trimble Realty - 1325 So. Kihei Rd,  
Mary L. Bishop, pb Ste 100, Kihei

Bordner & Stubenberg, A Real Estate Brokerage -  
615 Piikoi St., Ste 2009, Hon.  
Dale K. Bordner, pb

Huntley and Cummings - 417 Kanekapolei St.,  
Helen L. Huntley, pb Ste 103, Hon.

Branch Office

Charter Realty, Ltd. - 307 Lewers St., Ste 800  
INACTIVE STATUS - No BIC Hon.

Minutes of Meeting of November 19, 1982

Tradename

AIDCCO - Sandra Hardcastle-Taylor, dba

Jerry Chun Realty - Gerald K. C. Chun, dba

Delta Properties - Donald L. Bartholomew, dba

Dixon Realty - Rosemary S. Dixon, dba

Hankins Realty - Norma R. Hankins, dba

Hawaii's Landman - Norman Dee Frane, dba

Hokulani Realty - Linda J. Ryan, dba

Honolulu Industrial Real Estate - Yoshie A.  
Feaster, dba

Steve Kennedy - Stephen P. Kennedy, dba

Knutson and Associates - Marilyn S. Knutson, dba

A Miracle Realty - Donald M. Conway, dba

Rayonna Properties - Peter Z. Dyck, dba

Reinhardt Realty - Carl E. Reinhardt, dba

Sun Estates - John E. Reinburg, III, dba

Windward Coast Properties - William C. Pendered,  
Jr., dba

Wolf Land - Steven L. Wolf, dba

Upon motion by Edwin Shiroma, seconded by Constance Smales, Commission unanimously ratified staff's action in approving the above applications.

Restoration - past 2 years

Mary G. Daly

Joseph Blanco moved and Edwin Shiroma seconded to deny Mary Daly's real estate salesman license on the basis that she did not submit substantial evidence and nothing was documented. Motion carried unanimously.

Roy H. Torrey

Edwin Shiroma moved and Toru Kawakami seconded to deny Roy Torrey's real estate salesman license for lack of substantial real estate background. Motion carried unanimously.

Miscellaneous:

HEARINGS

RE-LIC-82-4 Louella King (late application)

The matter, heard by the hearings officer, was rendered the findings of fact and recommended decision. Each party had an opportunity to file exceptions to the decision. Both Louella King and the Attorney General's office filed exceptions.

Oral arguments were heard from both the hearings officer and Respondent.

After a lengthy discussion, Gregg Yamanaka moved and Toru Kawakami seconded to accept the hearings officer's recommended order. Motion carried unanimously.

The Commission requested an opinion from the Attorney General's office whether "shall" is mandatory as it applies to §16-99-8(3).

RE-LIC-82-7 Linda M. McCabe

RE-LIC-82-8 Lorna Peralta

RE-LIC-82-9 Elaine A. Roumasset

RE-LIC-82-10 Terence Matsuo

RE-LIC-82-11 June C. K. K. L. Chang

RE-LIC-82-12 Ronald Y.K. Quon

Joseph Blanco moved and Toru Kawakami seconded to accept the hearings officer's recommended order on the above cases. Motion carried unanimously.

Recovery Fund

As requested, Edwin Shiroma moved and Ralph Yagi seconded to add the following matter to the agenda. Motion carried unanimously.

Rev. Ananda Shaka vs. Barbara Barçena - Civil No. 929

Executive Secretary reported that the hearing was heard some time ago but no written order was issued by the court. Sidney Ayabe requested payment be made subject to receiving a signed court order.

Ralph Yagi moved and Edwin Shiroma seconded to approve payment of \$1,030 on the above case subject to receipt of an order from the court. Motion carried unanimously.

Gladys Tinney Foris vs. David E. Reeves Civil No. 63905

Commission received an order directing payment from real estate recovery fund from Sidney Ayabe.

Following discussion, Edwin Shiroma moved and Ralph Yagi seconded to approve payment of \$10,000 from the real estate recovery fund. Motion carried unanimously.

Collection of Real Estate Recovery Payments

The Commission discussed how we could go about getting back some of the payments paid out from the real estate recovery fund.

Real Estate Recovery Fund Consultant's Fee

A discussion was held regarding the real estate recovery fund consultant's fee. At present, the Commission is paying \$40.00 per hour to Sidney Ayabe. It was suggested that Commission bring it up to par with that of the Contractors License Board.

Ralph Yagi moved and Edwin Shiroma seconded to appoint Gregg Yamanaka, Joseph Blanco and Constance Smales as a committee to look into the matter of raising the fees and to report back to the Commission with its recommendation. Motion carried unanimously.

Restoration of License and Request for Experience Waiver

Lily Tang

Lily Tang appeared before the Commission to discuss the restoration of her license and experience waiver.

Following discussion, Edwin Shiroma moved and Ralph Yagi seconded to restore Lily Tang's real estate salesman license in accordance with §16-99-8(2). Motion carried unanimously.

Regarding her experience waiver, Commission requested that Tang document her education and work experience and submit it to the staff for review. The Executive Secretary will use his discretion to approve or not.

Request for Reconsideration (Maunalani Resorts, Inc.)

Chairman Morris relinquished the Chair to Vice-Chairman Edwin Shiroma due to possible conflict of interest.

Jeffrey Watanabe and Benjamin Kudo appeared to request reconsideration on the matter.

Mr. Watanabe had come to the Commission's committee meeting the day before to explain further as to the pros and cons of the performance bond vs. letter of credit.

Joseph Blanco moved and Toru Kawakami seconded to reconsider the action taken at the previous meeting on the matter of Maunalani Resorts, Inc. Motion carried unanimously.

After a lengthy discussion, Constance Smales moved and Joseph Blanco seconded that Maunalani Resorts, Inc. secure a letter of credit for the Mauna Lani Terrace condominium project in lieu of a performance bond to satisfy §16-107-09 subject to the following conditions:

1. That the issuing bank, Mitsubishi Bank of California, guarantee payments for the total amount of \$22,150,000.
2. Participation by the Mitsubishi Bank Ltd., Los Angeles agency, for \$18,000,000 and their full guarantee of 100% of letter of credit.
3. State of Hawaii to be an added beneficiary on the letter of credit with authorization to receive funds when deemed necessary.
4. Letter of credit to be in compliance with requirement referring to the Bank Examination Division, State of Hawaii.

- 5. Purchasers' deposits be held in escrow and not to be used for construction purposes with interest accruing to the purchasers.
- 6. The provision to hold harmless and indemnify the State of Hawaii against any and all losses to be included.
- 7. State of Hawaii to have authority to hire the services of an independent construction consultant in the event when called upon the letter of credit.

Motion carried unanimously.

Communication from NARELLO

The national NARELLO requested payment from the balance of the Western District NARELLO fund. In addition, they requested \$1,500 for the timeshare conference held in San Francisco.

The Commission concurred to pay from the balance of the Western District Conference fund but that any excess cost for the timeshare conference should be prorated among the other districts.

Condominium Consultant Committee Meeting

Gregg Yamanaka announced that the Condo Committee will be meeting on Tuesday, November 30, 1982 at Carlsmith, Carlsmith, Wichman & Case conference room from 12:00 noon to 1:30 p.m.

Adjournment: There being no other business to transact, the meeting adjourned at 1:00 p.m.

Taken and recorded by:

*Saeko Whang*  
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 Saeko Whang, Secretary

APPROVED:

*Glenn M. Adachi*  
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 GLENN M. ADACHI  
 Executive Secretary