

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

MINUTES OF MEETING

Date: Friday, January 25, 1980

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

Present: Ah Kau Young, Chairman  
Edwin H. Shiroma, Vice Chairman  
Tadayoshi Ishizu, Member  
Toru Kawakami, Member  
G. A. "Red" Morris, Member  
John M. Urner, Member  
Gregg T. Yamanaka, Member

Tany S. Hong, Director of Regulatory Agencies  
Darryl Y. C. Choy, Hearings Officer  
Gerald Yoshida, Deputy Attorney General  
Sandy Holck, Real Estate Education Specialist  
Yukio Higuchi, Executive Secretary  
Saeko Whang, Secretary

John Spalding, President, RESAH  
Sheila Lau, Education Director, Hawaiian Ass'n  
of Realtors  
Ty Kimura, Education Chrm, Honolulu Board of  
Realtors  
Violet King, Observer  
Friend of Violet King

Absent: Ralph S. Yagi, Member  
Francis N. Kauhane, Member

Call to Order: There being a quorum present, Chairman Ah Kau  
Young called the meeting to order at 9:15 a.m.

The Executive Secretary apprised that the agenda  
for today's meeting was duly processed on  
Tuesday, January 22, 1980 at the Lt. Governor's  
office in compliance with the Sunshine Law.

Minutes: Toru Kawakami moved and Edwin Shiroma seconded  
to approve the minutes of November 30, 1979  
and December 21, 1979 as circulated. Motion  
carried unanimously.

Committee  
Reports:

Real Estate Education Advisory Council

Application for Instructor's Certificate

Joseph M. Przygodzinski (s)

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve application of Joseph Przygodzinski for certification as a salesman instructor subject to receipt of DOE licensure. Motion carried unanimously.

Tadayoshi Hara (s)

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve application of Tadayoshi Hara subject to satisfaction of additional real estate educational requirement or passing the instructor's examination and submittal of DOE licensure. Motion carried unanimously.

Herbert K. J. Wong (s)

As recommended, Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve Herbert K. J. Wong's application for certification as a salesman instructor subject to satisfaction of education requirement or passing of instructor's exam and submittal of DOE licensure. Motion carried unanimously.

Approval of Appointment of Real Estate Education Specialist

Director Tany Hong was present to request the approval of Sandy Holck's appointment as the Real Estate Education Specialist. He added that Holck came highly recommended and will be an asset to the Commission.

Edwin Shiroma moved and Toru Kawakami seconded to approve the appointment of Sandy Holck as Real Estate Education Specialist. Motion carried unanimously.

Real Estate Chair Report by Mike Miles

This matter was deferred to a later time.

Education Committee

Edwin Shiroma, Education Advisory Council Chairman, reported that he and Sandy Holck held two meetings (1) with Dean David Bess to mainly open up communication regarding the Real Estate Chair and get its feelings on future programs and its objectives; (2) with newly formed ad hoc committee composed of various people from the real estate education sector and Executive Secretary, to provide lines of communication with organization of real estate industry to assist the Commission in planning and implementation education of real estate licensees and to exchange ideas within the scope of education toward better serving the licensees and the community.

Laws & Rules Review Committee

James Conahan's proposed amendments to the Real Estate license law and rules and regulations

Toru Kawakami moved and Edwin Shiroma seconded to add the above matter to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

By letter dated January 22, 1980, Daniel Lee, Legislative Advocate of Hawaiian Association of Realtors, submitted proposed amendments to Section 467-1, regarding definition of "real estate broker."

Laws and Rules Review Committee Chairman Toru Kawakami reported that his committee discussed these proposed amendments. The Commissioners' opinion were that they cannot go along with the proposed changes.

Toru Kawakami moved and Edwin Shiroma seconded to write to Danny Lee advising that Commission does not support the proposed amendments as submitted. Motion carried unanimously.

Further discussion ensued on this matter and the operation of Dilks & Jacobs, Inc. was reviewed.

Toru Kawakami moved and Tadayoshi Ishizu seconded to notify Dilks & Jacobs, Inc. that they are in violation of Rule 1.11(a) and to comply within 30 days from receipt of the letter. Motion carried unanimously.

On another motion, Toru Kawakami moved and Edwin Shiroma seconded to write letters of warning to those "personal corporations" who may be in violation of Rule 1.3(o). Motion carried unanimously.

Real Estate Recovery and Education Fund

Executive Secretary reported that as of December 31, 1979, there is a total of \$700,000 in time certificate deposits plus unencumbered balance of \$46,819.73 in the Real Estate Recovery Fund and \$400,000 in time certificate deposits and unencumbered balance of \$85,505.30 in the Real Estate Education Fund.

Attorney General's Report

No report was made.

Proposed Settlement Agreement on Edwin M. Aguiar, Jr. and Ed Aguiar, Jr. Realtors, Ltd.

Edwin Shiroma moved and Toru Kawakami seconded to add this matter on the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Executive Secretary reported that we received from Darryl Choy, Hearings Officer, the proposed settlement agreement for Commission's consideration and action.

If the Commission agrees on the proposed settlement agreement, the Commission can then sign the agreement.

After much deliberation, G. A. "Red" Morris moved and Toru Kawakami seconded to accept only the proposed settlement provisions which pertain to the return of Edwin Aguiar's licenses and pocket card, payment of \$387.50 no later than 30 days, and the term of suspension for 6 months starting 10 days after Commission signs the order (excluded in the motion was item 3 on page 2). Motion carried unanimously.

By another motion, G. A. "Red" Morris moved and Toru Kawakami seconded to accept the proposed settlement agreement of item #3 on page 2 regarding publication. A vote was taken.  
Ayes: Ah Kau Young, Tadayoshi Ishizu, John Urner, G. A. "Red" Morris and Toru Kawakami  
Naves: Edwin Shiroma and Gregg Yamanaka  
Motion carried.

Business Out  
of Minutes:

CON-77-17 McCormack Management Group, Ltd.

Inasmuch as the Complaint Review Committee had requested for a status report on this matter, Executive Secretary apprised that this case has been referred to the Attorney General's office.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to request from the Attorney General's office through the Director a status report as Commission has not received any kind of communication whatsoever and requests a follow thru on this matter. G. A. "Red" Morris abstained from voting due to possible conflict of interest.  
Motion carried.

RE-79-108 Keith Herman Herzog & Marantha Resorts Hawaii, Inc.

On the basis of new evidence and additional information submitted, Edwin Shiroma moved and Tadayoshi Ishizu seconded to reopen the case and request for reinvestigation. Motion carried unanimously.

RE-79-86 Sam Daily Realty, Inc.

As recommended by the Complaint Review Committee, Edwin Shiroma moved and John Urner seconded to dismiss complaint on the basis that investigation revealed insufficient evidence to support the charge of violation of our real estate license law or the Commission's rules and regulations.

A letter to be forwarded to Sam Daily suggesting that he should advise prospective purchaser to seek their own agent when there appears to be a conflict of interest. In this case, the Commission feels that Daily had a conflict of interest because he and Jack Ward were interested in purchasing the property prior to the acceptance of the Church's offer. It appears that this

contract warranted that Daily acquire the written consent of the Seller to assign the DROA to WPC, together with approval to extend the closing date. Motion carried unanimously.

RE-79-148 Tom Schmidt Realtors and Linda Kurosawa

G. A. "Red" Morris moved and John Urner seconded to rescind its action of November 30, 1979, to hold a formal hearing. Motion carried unanimously.

G. A. "Red" Morris moved to inform Complainant that there was no specific violation of real estate licensing law or Commission's rules and regulations. Motion seconded by John Urner and unanimously carried.

On another motion, G. A. "Red" Morris moved and John Urner seconded to send a letter of warning to Tom Schmidt advising of possible violation for his nondisclosure in not writing on the contract that he is a licensee. Motion carried.

Investigations:

RE-79-8 Robert S. Kidani

G. A. "Red" Morris moved and Gregg Yamanaka seconded to adopt the Complaint Review Committee's recommendation to hold a formal hearing against Kidani and principal broker for violation of dishonest dealing, and unethical conduct. Motion carried unanimously.

RE-79-9 Stephen Lum

G. A. "Red" Morris moved and Gregg Yamanaka seconded to accept the recommendation of Complaint Review Committee to proceed to a hearing against Lum and principal broker for violation of dishonest dealing, and unethical conduct. Motion carried unanimously.

RE-79-165 Realty Specialits Corp. and J. M. Urner, Inc.

John Urner disqualified himself on this matter.

G. A. "Red" Morris moved and Edwin Shiroma seconded to accept Complaint Review Committee's recommendation for dismissal of complaint as findings of investigation appears to indicate insufficient evidence that either agents breached his or her duty to avoid misrepresentation.

Further that a letter of warning be sent to Jeanne C. Rhys of J.M. Urner, Inc. suggesting that she exercise more care when taking a listing and making a thorough check. Motion carried.

RE-79-171 MJB Real Estate, Inc.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to adopt the recommendation of Complaint Review Committee for dismissal of complaint with letter of warning to James Winniman for failing to determine the ownership of title when taking listing. Warning appears to be adequate inasmuch as he made some effort to check out the ownership, and there is no evidence that Winniman has acted dishonestly or had made misrepresentation. Motion carried unanimously.

RE-79-175 Property House, Inc.

G. A. "Red" Morris moved and Tadayoshi Ishizu seconded to accept Complaint Review Committee's recommendation to hold a hearing against Paul Strauch, Jr. for violation of Rule 1.4(2) for failing to place monies belonging to others entrusted to him in escrow or his clients' account immediately, and for Section 467-14(1) and (2) for notifying seller's agent and escrow that the deposit of \$5,000 will be placed in escrow, and when he failed to place the deposit into escrow, he failed to notify seller's agent and escrow that he would not be placing deposit into escrow. Motion carried unanimously.

New Business:

LICENSING

Corporation

Robert Dove Realty, Inc. - 1993 S. Kihci Rd.  
Elberta D. Dove, pb #215, Kihei

Gretchen Duplanty, Ltd. - Financial Plaza of  
the Pacific, #1104, Hon.  
Gretchen Duplanty, pb

HJT, Inc. - 4211 Waiialae Ave., #203, Hon.  
Henry J. Tonini, pb

Hawaii Property Consultants, Inc. - 1431 S.  
Beretania St., #206, Honolulu  
Barry A. Kim, pb

Hawaiian Art Corporation dba Island Inter-  
national Real Estate, 46-144 Kahuhipa St.  
Edward E. Lee, pb Kaneohe

Hawaiian Islands Resorts, Inc. - 841 Bishop  
Albert E. Turner, pb St., #400, Hon.

Kuhio Homes, Inc. - 1020 Keeaumoku St., #303  
Randolph A. Batoon, pb Hon.

Merle Lam & Co., Inc. - 188 Hale St., #5B, Hilo  
Merle M. Lam, pb

Nettleship Realty, Ltd. - 2045 Main St., Wailuku  
John N. Nettleship, pb

Del Osman Realty, Inc. - 733 Bishop St., #2275,  
Del A. Osman, pb Hon.

Eileen Small, Inc. - 7192 Kalaniana'ole Hwy,  
Eileen Small, pb #230, Hon.

Ujimori Real Estate & Development, Ltd. -  
94-674 Farrington Hwy, Waipahu  
Stanley T. Ujimori, pb

Edwin Shiroma moved and Tadayoshi Ishizu  
seconded to approve the above applications  
for corporate licenses. Motion carried  
unanimously.

Branch Office

Barefoot Realty, Inc. - 3134 E. Kuhio Hwy,  
Clarence E. Beck, bic Lihue

HiAlta Investments, Ltd. - 75-5722 Kuakini Hwy,  
Henry E. George, bic #216A Kailua-Kona

Rex Realty, Inc. - 1909 Ala Wai Blvd., #207,  
Rex D. Johnson, bic Hon.

Earl Thacker Maui, Inc. - 75-5722 Kuakini Hwy,  
Robert L. Horcajo, bic #103, Kailua-Kona

Westcott-Goldstein & Assoc. Inc. - 1015 Bishop  
Cornelio J. Gorospe, bic St., #576, Hon.

Edwin Shiroma moved and John Urner seconded  
to approve the above-listed applications for  
branch office. Motion carried unanimously.



Tradenname

AAM Realty - 815 Gulick Ave., Honolulu  
Alice A. Murakami, dba

Advance Realty Investment - 747 Amana St., #402  
Sau Chun, dba Honolulu

The Beall Companies - 1221 Kapiolani Blvd.,  
Alan C. Beall, dba #6A-4, Honolulu

D H Goh & Associates - 1750 Kalakaua Ave.,  
Dickie H. Goh, dba #1906, Honolulu

Hawaii Commercial Properties - 745 Fort St.,  
Vilai S. Wagner, dba #1814, Honolulu

Light Realty - 210 Ward Ave., Honolulu  
Laura Light, dba

Seaside Realty - 4480 Ahukini Rd #7, Lihue  
Karon Anglin, dba

Unique Properties - 735 Bishop St., #302,  
Zan H. Dawson, dba Honolulu

Edwin Shiroma moved and Tadayoshi Ishizu  
seconded to approve the above applications  
for tradenames. Motion carried unanimously.

P S Realty - 1136 Union Mall, #806, Honolulu  
William T. Perry, dba

Edwin Shiroma moved and Tadayoshi Ishizu  
seconded to approve P S Realty subject to  
proof of dissolution of existing P S Realty.  
Motion carried unanimously.

Webb Realty - 1314 S. King St., #1651, Hon.  
Gerald Y. S. Chang, dba

Edwin Shiroma moved and Tadayoshi Ishizu  
seconded to authorize Executive Secretary  
to grant approval of the above dba upon  
checking to see if Webb is a surname of a  
licensed broker and that it meets all  
licensing requirements. Motion carried  
unanimously.

Corporation Name Change

Dilks & Jacobs, Inc. - 415 Uluniu St., Kailua  
formerly Irene Jacobs, Inc.

After much deliberation, Edwin Shiroma moved  
and Toru Kawakami seconded to approve the

above name change subject to approval of name by Business Registration office. Also that Irene Jacobs be fully informed that all the individual corporate entities listed therein must either dissolve and surrender its corporate licenses or comply with Rule 1.3(o). Motion carried unanimously.

Gregg Yamanaka moved and Edwin Shiroma seconded to inform the Director of Commission's position regarding licensing of corporations as reflected in the Commission's decision on the Dilks and Jacobs, Inc. application and that such interpretation will be applied by the Commission unless found to be improper or illegal by the Attorney General's office. Motion carried unanimously.

Pali Properties, Inc. - 602 Kailua Rd., #202,  
formerly Mesa Hawaii Corporation Kailua

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the name change of Pali Properties, Inc. Motion carried unanimously.

#### Restorations

Charles M. Busby

Toru Kawakami moved and Edwin Shiroma seconded to approve Charles Busby's application for restoration of his real estate salesman license. Motion carried unanimously.

Harris H. Hara

Edwin Shiroma moved and G. A. "Red" Morris seconded to approve Harris Hara's application for restoration of his real estate salesman license. Motion carried unanimously.

Sherwood V. K. H. Lum

G. A. "Red" Morris moved and Edwin Shiroma seconded to defer action on Sherwood Lum's application for additional information as to whether or not he has conducted any real estate activity from 1971, is he current with the rules and regulations, and when did he take those real estate courses. Motion carried unanimously.

Lawrence M. Markham

Edwin Shiroma moved and Tadayoshi Ishizu seconded to deny Lawrence Markham's application for restoration of his salesman license. Motion carried unanimously.

Nathan Paco dba Paco Realty

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve Nathan Paco dba Paco Realty application for restoration for dba license. Motion carried unanimously.

Emy L. Pfister

Edwin Shiroma moved and Toru Kawakami seconded to deny Emy Pfister's application for restoration of her real estate salesman license. Motion carried unanimously.

Herbert R. Welder, Jr.

G. A. "Red" Morris moved and Edwin Shiroma seconded to approve Herbert Welder's application for restoration of his real estate salesman license. Motion carried unanimously.

Miscellaneous:

Request for Approval to Reimburse Investigators' Cost of Books for S.B.M.P. Salesman Course

Executive Secretary reported that Licensing Administrator Dick Okaji has requested Commission's approval to reimburse \$57.00, cost of books to 3 investigators for attending the S.B.M.P. salesman course.

G. A. "Red" Morris moved and Toru Kawakami seconded to approve the reimbursement. Motion carried unanimously.

Guaranteed Sales Program

By letter dated January 7, 1980, Norman D. Frane of Kenneth Fujiyama Realty, Inc. requested guidelines from the Commission in order to set up a guaranteed sales program.

Following discussion, Executive Secretary was directed to reply as follows:

1. To caution him to make full disclosure in writing,

2. To comply with all requirements of the licensing law and Commission's rules and regulations including but not limited to disclosure of his license status to whomever he enters into contract.

Discounting Commissions for Cash Prior to Closing

Attorney Michael Matsukawa wrote requesting Commission's clearance on this matter. He represents a client who is interested in purchasing real estate commissions from realtors who need cash immediately rather than at the time of closing.

After a lengthy discussion, Executive Secretary was instructed to reply that Commission strongly discourage this type of practice for the following reasons:

1. commission is not earned while still in escrow, and
2. if his client does not have a broker's license, he can not receive commission.

Commission concurs with Licensing Administrator's statement to Matsukawa.

Results of December 8, 1979 Exam

Executive Secretary reported on the results of December 8, 1979 exam as follows:

Salesman	1,094 passed	371 failed	= 75% passing
Broker	214 passed	25 failed	= 95% passing

This was based on graded cut score of 70.

Executive Secretary further reported that he has received a number of calls from candidates who received a failure notice of 69 on the State portion. Mathematically the score cannot be 69.

Following a lengthy discussion, Gregg Yamanaka moved and Toru Kawakami seconded to revert back to percentage or raw score and grant a passing score to those candidates receiving 69. ETS to be notified of action taken. Motion carried unanimously.

On another motion, G. A. "Red" Morris moved and Toru Kawakami seconded to apprise the Director of this matter. Motion carried unanimously.

ETS RELE Committee Meeting - Spring 1980

Executive Secretary reported that ETS RELE Committee meeting will be held on May 12 & 13, 1980 in Princeton, New Jersey.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to select the following to represent Hawaii:

1. Executive Secretary
2. Sandy Holck
3. Gregg Yamanaka, alternate

Motion carried unanimously.

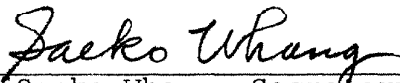
Date of Next Meeting:

Friday, February 29, 1980, at 9:00 a.m.  
Board Room, Kamamalu Bldg

Adjournment:

There being no other business to transact, Chairman Ah Kau Young adjourned the meeting at 5:15 p.m.

Taken and recorded by:

  
\_\_\_\_\_  
Saeko Whang, Secretary

APPROVED:

  
\_\_\_\_\_  
YUKIO HIGUCHI  
Executive Secretary