

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

MINUTES OF MEETING

Date: Thursday, August 28, 1980

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

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

Dick H. Okaji, Licensing Administrator
Henry Lee, Examination Supervisor
Sandy Holck, Real Estate Education Specialist
George Arine, Executive Secretary
Saeko Whang, Secretary

John Spalding, President of RESAH
Dean David Bess
Dr. Richard Haney, Present R.E. Chairholder
George Bybee, Attorney
John L. Tyrrell, Applicant for real estate license
Gary Asato, Applicant for real estate license

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

Call to Order: The meeting was called to order by Chairman
G. A. "Red" Morris at 9:20 a.m.

George Arine, relief Executive Secretary, apprised
that the agenda for today's meeting was duly
filed on Friday, August 22, 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 July 25, 1980
as circulated. Motion carried unanimously.

R.E. Chair
Holder: Dr. Richard Haney, present Real Estate Chair-
holder, was introduced by Dean David Bess,
and he said he is looking forward to working
with the Commission members.

Committee
Reports:

Real Estate Education Advisory Council

Applications for Instructor Certificate

Christine T. O'Brien (s)

Francis T. O'Brien (law)

As recommended, Edwin Shiroma moved and Ralph Yagi seconded to approve applications of Christine O'Brien and Francis O'Brien for certification as real estate salesman instructors subject to receipt of DOE licensure. Motion carried unanimously.

Real Estate Education Specialist Report

Sandy Holck, Real Estate Education Specialist, reported on the seminars held in Kona, Hilo, and Wailuku. Comments from those who attended were favorable and expressed that more licensees should have taken advantage of this informative seminar.

Laws and Rules Review Committee Report

There was nothing to report as the Committee did not meet this month.

Real Estate Recovery Fund - Civil No. 55827
Wallace Chun and Tom Chun vs. Clayton K. H. Tom

After a lengthy discussion, Gregg Yamanaka moved and Edwin Shiroma seconded to conduct an independent hearing on this matter. Motion carried unanimously.

Business Out
of Minutes:

Questionable Applications

Richard I. Dan (Salesman Applicant)

This matter was deferred inasmuch as Richard Dan failed to make an appearance.

John L. Tyrrell (restoration)

John Tyrrell had requested an audience before the Commission to discuss his application for restoration of his real estate salesman license.

After the question and answer period, John Tyrrell was advised that the matter will be taken under advisement.

Edwin Shiroma moved and Ralph Yagi seconded to approve restoration of John Tyrrell's salesman license. Motion carried unanimously.

Gary Asato (Salesman Applicant)

By letter Gary Asato waived his rights to a formal hearing in lieu of the informal conference to discuss his application for real estate salesman license.

After the question and answer period, Ralph Yagi moved and Edwin Shiroma seconded to approve application of Gary Asato for a real estate salesman license. Motion carried unanimously.

Request Opinion from Attorney General, Anti Trust Division re sub corporations hanging their license with the primary corporation

Yukio Higuchi, Executive Secretary requested that this matter be placed on the agenda to ask the Anti Trust Division, Attorney General's office, for a written opinion whether it is against anti trust law to allow personal corporations to hang their licenses with a parent corporation.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to request the Attorney General for a written opinion on this matter. Motion carried unanimously.

Discussion re Chairman's memo dated August 4 on ETS exam

Dick H. Okaji, Licensing Administrator, in response to Chairman's memorandum of August 4, 1980 was present to discuss the recent ETS exam.

The memorandum requested that a review be undertaken to compare the services offered by ETS and ACT as to frequency of exams, security of exams and a contact person to be responsible for the exams.

Mr. Okaji requested that Commission reconsider this matter inasmuch as it takes a lot of staff time to undertake the study. He added that Mr. Edward Manwaring, E.T.S. Program Director has indicated that a local representative will be appointed to coordinate the exams.

John Spalding, President of RESAH, by letter dated August 7, 1980 submitted recommendations and comments regarding the recent exam.

Edwin Shiroma moved and Ralph Yagi seconded to reaffirm its original decision to go ahead with the review that would show a comparison of the various testing agencies that can provide the services. If possible, Commission would like the report within 6 months. Motion carried unanimously.

There was some discussion on the possibility of giving more frequent exams which will entail amendment to Chapter 467 to reflect the changes.

Edwin Shiroma moved and Toru Kawakami seconded to appoint Dick Okaji to prepare a legislation bill that will allow the Commission (1) to have applicants mail their applications directly to E.T.S. and (2) that the fee schedule be amended to meet all the necessary requirements. Motion carried unanimously.

Hearings Officer's Findings of Fact, etc.
RE-79-68 Mark J. Peterson and Glenn O. Hay, Jr.

As Exceptions were filed on this matter and Hearings Officer is on vacation, Edwin Shiroma moved and Toru Kawakami seconded to defer this matter until Darryl Choy, Hearings Officer, has had a chance to review and respond as to his findings. Motion carried unanimously.

RE-79-56 LaVerne Allen

After a brief discussion, Commission decided to refer this matter back to the Investigation Division for review and the staff to make a recommendation at the next Complaint Review Committee meeting.

RE-80-16 and RE-80-33 Resort Marketing Associates Inc.

The Commission decided to defer action on this matter until Investigator can obtain a copy of

the management agreement, if any, which can determine the responsible party in refurbishing of the unit. Also to recommend that Investigator check the basic condition of the unit.

RE-80-41 Sandra S. Joor of Real Estators, Ltd.

After discussion, Edwin Shiroma moved and Ralph Yagi seconded to accept the Complaint Review Committee's recommendation to write to Complainant, Allen Mansfield that Commission is willing to reopen the case; however, this is subject to Complainant furnishing additional information to materially justify his position of misrepresentation. Complainant to be advised that no hearing was held, but based on evidence presented, Commission decided to dismiss complaint due to no violation of client's trust account rules. Also, advise Complainant that Commission's decision is not to be construed as a substitute for a civil proceeding. Motion carried unanimously.

Investigations:

RE-80-15 Seaside Realty

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the recommendation of Complaint Review Committee to send a cease and desist letter to Karon Anglin dba and p.b. of Seaside Realty for possible violation of Rule 1.11(a) improper advertising since broker not mentioned in ad and Rule 1.5(c) of Commission's rules and regulations for failure to establish a branch office on the island where the salesman resides. The cease and desist letter would be to inform Anglin to immediately close down operation and to comply with proper advertising. If no action taken immediately, then specific action will be taken by the Commission. Also to have the Maui investigator conduct a follow-up check regarding Complainant's compliance after the letter is forwarded. The cease and desist letter should also inform Anglin that she should submit a formal application for opening of a branch office. Motion carried unanimously.

RE-80-23 Hallmark Properties, Inc.

Toru Kawakami abstained from discussion on this matter due to possible conflict of interest.

Edwin Shiroma moved and Ralph Yagi seconded to defer action and write to Ronald Amemiya requesting

that he meet with the Investigator and provide the necessary information within 2 weeks. After the investigation report, the Commission will review its findings. Hallmark Properties should stop its operations until they have a principal broker. Motion carried.

RE-80-70 International MBA Associates, Ltd.
dba IMBA Associates

Ralph Yagi moved and Tadayoshi Ishizu seconded to accept Complaint Review Committee's recommendation for further investigation to obtain copy of DROA, listing agreement, together with additional information regarding limited partnership. Also, more information needed on how the transaction started and why escrow opened up account on Cieslik's name only. Also, the matter should be referred to the Securities Commissioner for possible violation of the securities law since a hui is involved. Also, recommend that the case be referred to the Office of Consumer Protection for investigation of possible fraudulent dealing as to reissuance of cashier's check, and opening of account in Cieslik's name and for unlicensed contractor activity. Motion carried unanimously.

RE-80-75, 80-81, 80-87, 80-92 Realty Executives
Hawaii, Inc.

Edwin Shiroma moved and Ralph Yagi seconded to proceed to a formal hearing for possible violation of Section 467-14(7), H.R.S., and Rule 1.3(e) and 1.4(a) of the Commission's rules and regulations; in that, Ken W. Harris II of Realty Executives, Inc. has failed within a reasonable time to account for any money belonging to Complainant; for failure to keep in a special bank account separate from his own funds Complainant's monies coming into his possession in trust for other persons; and for failure to maintain records of all trust funds received by him. To obtain copies of management and tenant agreements and to determine if and where the money is held in client's trust account. Motion carried unanimously.

New Business:

LICENSING

Corporation

ADMAC Realty, Ltd. - 700 Bishop St., #1512
George H. Melvin, pb Hon.

American Paradise Mgt. Inc. - 2828 Paa St.,
James Kolonick, pb #2010, Hon.

Beachboy Realty, Inc. - 100 N. Beretania St.,
Robert M. Pickett, pb #210, Hon.

Chase 'N Rainbows, Inc. - Lahaina Shp Ctr.,
Kay E. Chase, pb #212, Lahaina

G. C. Realty, Inc. - 1060 Young St., #316
Victoria A. Romano, pb Hon.

Hartford Realty, Inc. - 7192 Kalaniana'ole Hwy,
Myrna L. Rosa, pb #210, Hon.

Honua, Ltd. - 733 Bishop St., #2505, Hon.
William W. Magers, pb

Libbie & Company, Inc. - 1060 Young St., #210
Libbie M. Kamisugi, pb Hon.

Mahi Pacific Realty, Inc. - 735 Bishop St.,
Mark T. Shklov, pb #315 Hon.

Malu, Inc. - 333 Queen St., #710, Hon.
Joy J. Jeffus, pb

Oahu Realty, Ltd. - 733 Bishop St., #1880
Robert A. Haaversen, pb Hon.

People's Realty Corporation - 1580 Makaloa St.
Jesus L. De Los Reyes, pb Oahu

Powercourt Properties, Inc. - 1050 Ala Moana
June M. Cook, pb Blvd Bldg C., Hon.

Vanpak Realty, Inc. - 33 Market St., #102
Randolph R. Cabanilla, pb Wailuku

Toru Kawakami moved and Tadayoshi Ishizu seconded to ratify the action of the staff in approving the above applications for corporate licenses. Motion carried unanimously.

Branch Office

Blue Chip Properties, Inc. - 95-023 Waihau St.
Michael D. Simmons, bic Wahiawa

E. L. Christensen, dba Island Homes - 74-5617
Pawa St., #194, Kailua-Kona
Robin C. Ventura, bic

Malia Kai Realty, Inc. - 75-5665 Alii Dr.,
Ronald M. Aronson, bic Kailua-Kona

Toru Kawakami moved and Ralph Yagi seconded to ratify action for approval of above applications for branch offices. Motion carried unanimously.

Tradename

Country Boy Realty, William B. Boston, dba

Hanohano Realty, Eileen F. Hanohano, dba

Honey's Realty, Honey Jean Katsarsky, dba

Investment Realty Hawaii, Charles A. Shipman,
Sr., dba

Lokelani Properties, Wilmer K. F. Hew, dba

Real Estate Gallery, Kona, Joseph M.
Przygodzinski, dba

Mike Sohriakoff Realty, Michael W. Sohriakoff,
dba

Lawrence Stevens Realty, Lawrence Stevens, dba

E. J. Tabisola Realty, Eulogio J. Tabisola, dba

Toru Kawakami moved and Ralph Yagi seconded to ratify action for approval of tradename applications. Motion carried unanimously.

Corporation Name Change

Brokers Exchange, formerly J. W. Realty

Century 21 The Land Company, Inc. formerly
The Land Company, Inc.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to ratify action in approving the corporate name changes of Brokers Exchange and Century 21 The Land Company, Inc. Motion carried unanimously.

Request for Hearing

Arlene M. Abelaye

Arlene Abelay requested for an informal conference to discuss her application and

waived her rights to a formal hearing.

After the question and answer period, Ralph Yagi moved and Edwin Shiroma seconded to grant an audience to Arlene Abelaye. Motion carried unanimously.

Roy Huntley

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve Roy Huntley's application for real estate salesman license. Motion carried unanimously.

Questionable Application

Shew Ting Chun (new license application)

Ralph Yagi moved and Tadayoshi Ishizu seconded to approve Shew Ting Chun's application for real estate salesman license subject to Attorney General's opinion that what Chun was convicted for is not a crime of moral turpitude. Motion carried unanimously.

Westpac Properties, Inc. - 915 Fort St., #606, Hon.

Toru Kawakami moved and Edwin Shiroma seconded to approve above named corporation subject to acceptance by the Business Registration Division. Motion carried unanimously.

A.E. Le Page (Hawaii) Ltd.
Calvin H. Cullen, pb

Ralph Yagi moved and Tadayoshi Ishizu seconded to add to the agenda the matter of application of A. E. LePage (Hawaii) Ltd. Motion carried unanimously.

Attorney George Bybee was present to discuss the application of A. E. Le Page (Hawaii) Ltd. After the question and answer period, Edwin Shiroma moved and Ralph Yagi seconded to approve the application. Motion carried unanimously.

Restoration - past 2 years

Bernice K. Self

Ralph Yagi moved and Edwin Shiroma seconded to disapprove restoration of Bernice Self's

application for real estate salesman license.
Motion carried unanimously.

Miscellaneous:

Specimen Affidavit and Reservation Agreement
For Owner-Occupants

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the specimen affidavit as to form and content. Policy regarding notification of refund would be not more than 10 days to refund the deposits (paragraph 5). Motion carried unanimously.

Letter from N. Dakota R.E. Comm. re 1982 Western
Conference

Correspondence relative to a joint conference of MidWest and Western Conference to be held in Honolulu in 1982 was accepted and filed.

1981 Legislation Deadline - September 10

Chairman Morris noted that the 1981 legislation deadline is September 10, 1980.

1980 NARELLO Conference - Oct. 19-22

The agenda for the 1980 NARELLO conference to be held in Boston, Massachusetts between October 19-22, 1980 was accepted and filed. No representatives were selected.

Francis Kauhane

As requested by Chairman, Edwin Shiroma moved and Tadayoshi Ishizu seconded to add this matter to the agenda. Motion carried unanimously.

Toru Kawakami moved and Ralph Yagi seconded to request the Chairman to talk to Francis Kauhane to find out what the problem is regarding his meeting attendance and to try and resolve it. Motion carried unanimously.

August 2, 1980 Examination Result

Ralph Yagi moved and Tadayoshi Ishizu seconded to accept the examination results of August 2, 1980. Motion carried unanimously.

Date of Next
Meeting:

Friday, September 26, 1980

Goals and Objectives:

After discussion, Ralph Yagi moved and Edwin Shiroma seconded to initiate legislation, amendment to Chapter 467, to reflect the following concerns:

1. Recovery Fund - increase the minimum balance requirement from \$150,000 to \$300,000
2. Expand the educational fund to include research center
3. Refresher courses for inactive licensees (forfeited and suspended licenses)
4. Changes to examination procedures which Mr. Okaji was requested to prepare legislation.

Motion carried unanimously.

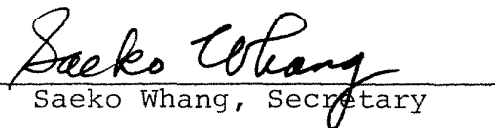
Sandy Holck was requested to report regarding reference manual at the next Commission's meeting.

Staff was requested to obtain copies of John Reilly's consultant report and S.R. No. 166, S.D. 1, in order to proceed with the study of separate real estate division.

Adjournment:

There being no other business to transact, the meeting was adjourned at 3:35 p.m.

Taken and recorded by:


Saeko Whang, Secretary

APPROVED:


GEORGE ARINE
Executive Secretary, Pro tem