

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

MINUTES OF MEETING

Date: Friday, September 26, 1980

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

Present: G. A. "Red" Morris, Chairman  
Edwin H. Shiroma, Vice Chairman  
Joseph Blanco, Member  
Tadayoshi Ishizu, Member  
Toru Kawakami, Member  
John M. Urner, Member

Tany S. Hong, Director, Dept. of Regulatory Agencies  
Sandy Holck, Real Estate Education Specialist  
Yukio Higuchi, Executive Secretary  
Saeko Whang, Secretary

Dr. George K. Ikeda, SSRI, Univ. of Hawaii  
Sheila Lau, Education Director, Hawaii Ass'n of  
Realtors  
Arlene M. Abelaye, Applicant real estate salesman  
license  
Danny C. Cheung, Applicant for real estate sales-  
man license  
Lorraine A. Smith, Applicant for real estate  
broker license  
Melvin Kaneshige, Attorney representing CAP  
Development Corp.

Absent: Francis N. Kauhane, Jr., Member  
Ralph S. Yagi, Member  
Gregg T. Yamanaka, Member

Call to Order: There being a quorum present, Chairman G. A.  
"Red" Morris called the meeting to order at  
9:30 a.m.

The Executive Secretary apprised that the agenda  
for today's meeting was duly filed on Friday,  
September 19, 1980, at the Lt. Governor's  
office in compliance with the Sunshine Law.

Minutes: The minutes of August 28, 1980 were deferred  
since it was not prepared in time.

Committee  
Reports:

Real Estate Education Advisory Council

Real Estate Education Specialist Report

Sandy Holck, Real Estate Education Specialist, reported on the following matters:

- a. Making arrangement to meet and discuss with Real Estate Chairholder, Dr. Richard Haney, on (1) resource center; (2) seminars; and (3) real estate reference manuals.
- b. Proposals to amend Chapter 20, on Rule 1.8, restoration of forfeited license and Rule 1.9 reinstatement of suspended license. This matter will be referred to the Laws & Rules Committee and also to Licensing Administrator Dick Okaji for his comments.
- c. Proposals were received from Crossroads Press for the printing of December issue of the Real Estate News Bulletin.

Edwin Shiroma moved and Toru Kawakami seconded to accept the proposal for the December issue but Crossroads Press be advised that for the year 1981, as required by law, we would have to let it out for bid. Executive Secretary to check the state requirements first and, if allowable, to go along this route. Motion carried unanimously.

Laws & Rules Review Committee Report

Toru Kawakami, Chairman of the Committee, moved and Edwin Shiroma seconded to hold a public hearing on Chapter 20, on October 31, 1980. Motion carried unanimously.

Toru Kawakami requested approval to go forth to a public hearing on the proposed HPR rules as approved by the Law & Rules Review Committee.

Toru Kawakami moved and Edwin Shiroma seconded to add the revision - "There shall be no reservations taken from investor clients at the time of the public notice to owner-occupants inasmuch as section 514A-31 provides that there shall be no solicitation, reservation or advertising for a project prior to receipt of a public report." Motion carried unanimously.

Toru Kawakami moved and Joseph Blanco seconded to approve the proposed rules as amended by the Rules Review Committee. Motion carried unanimously.

Toru Kawakami moved and Tadayoshi Ishizu seconded to hold a public hearing on the rules pertaining to HPR on Thursday, October 30, 1980. Motion carried unanimously.

At the next Rules Committee meeting, Prospective Amendments to Commission's Rules, Chapter 20, will be discussed plus Marion Oshiro's comments.

Toru Kawakami moved and Edward Shiroma seconded to rescind action taken on August 28, 1980 to seek legislation to amend Chapter 467 regarding minimum requirement for the real estate recovery fund. Motion carried unanimously.

Business Out  
of Minutes:

Questionable Applications

Arlene M. Abelaye (salesman applicant)

Arlene Abelaye was present to discuss her application and waived her rights to a formal hearing in lieu of this informal conference.

After the question and answer period, Edwin Shiroma moved and Joseph Blanco seconded to approve Arlene Abelaye's real estate salesman license. Motion carried unanimously.

Danny C. Cheung (salesman applicant)

Danny Cheung requested this informal conference and waived his rights to a formal hearing.

Following the question and answer period, Toru Kawakami moved and Edwin Shiroma seconded to approve Danny Cheung's real estate salesman license. Motion carried unanimously.

Lorraine A. Smith (broker applicant)

Lorraine Smith waived her rights to a formal hearing in lieu of the the informal conference to discuss the late filing of her application for real estate broker license.

After the question and answer period, Edwin Shiroma moved and Tadayoshi Ishizu seconded

to approve Lorraine Smith's real estate broker license. Motion carried unanimously.

RE-79-68 Mark J. Peterson & Glenn O. Hay, Jr.

Executive Secretary reported that Darryl Choy, hearings officer, will not submit any response to Exceptions filed on this matter.

The presentation of oral arguments will be held on October 31, 1980 meeting. John Urner so moved, seconded by Edwin Shiroma and unanimously carried.

RE-80-11 James Moore & Foxfire, Inc.

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to rescind its decision of April 25, 1980 to hold a hearing on this matter and to dismiss complaint with a strong letter of warning to James Moore of Foxfire, Inc. indicating that the party had not obtained all pertinent facts and hereafter he should before listing of any property. Motion carried unanimously.

Investigations:

RE-79-56 Laverne Allen of Mike McCormack

Edwin Shiroma moved and Toru Kawakami seconded to accept the Complaint Review Committee's recommendation to proceed to a hearing against Judy Gifford and Laverne Allen for possible violation of Section 467-14(8), H.R.S. and Rules 1.3(a), (i) and (j), of the Commission's rules, in that they acted dishonestly by misleading Complainant to believe that the listing agreement with Inter-Island Properties, Inc. was assigned to Mike McCormack, Realtors, in an attempt to collect commission and further amending the existing listing agreement to perpetuate the fraud, and advertising Hall's property without proper authorization and failure to submit the offer of Ruth Buzzard dated January 10, 1979 for consideration by Seller.

Tadayoshi Ishizu abstained due to possible conflict of interest. Motion carried.

RE-80-5 Laurence Haman & Rosemary Smith, of Mike McCormack

Joseph Blanco moved and John Urner seconded to accept the recommendation of Complaint Review

Committee for a hearing against Haman and Smith for possible violation of Section 467-14(1), H.R.S., and Rule 1.3(a) of the Commission's rules, in that, Smith made the misrepresentation that the unit being considered will be 50% higher in a year's time (See Exh. G.) Motion carried unanimously.

RE-80-61 Lilly C. Anderson

Edwin Shiroma moved and Joseph Blanco seconded to accept Committee's recommendation to request be made of investigator to attempt to contact Lilly Anderson at her most recent home address, and pursue the allegations that she is advertising her own property without disclosure that she is the owner of the property, and that she acted as broker on a 400 unit development in Pearl City. Motion carried unanimously.

RE-80-82 George H. Montague

Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept Complaint Review Committee's recommendation for dismissal of complaint on the basis of insufficient evidence to support the allegations that Montague is employing unlicensed persons to act as real estate agents. Investigation indicates that Dean Auren works for Montague and receives a salary for cleaning the rooms, checking the furnishings, providing supplies, putting up keys, and clerical work. All requests for information on sales or rentals are referred to Montague and handled by his licensed staff. Motion carried unanimously.

RE-80-106 Winniman International Real Estate, Inc.

Joseph Blanco moved and Tadayoshi Ishizu seconded to accept Committee's recommendation for dismissal of complaint on the basis that investigation indicates that no violation of our real estate license law or Commission's rules was committed by Respondent. Further recommend that a letter be sent to Respondent to suggest that he does not let the seller sign the acceptance portion of the DROA if the seller is rejecting the offer. Motion carried unanimously.

CON-80-14 Fairway Partners

John Urner moved and Tadayoshi Ishizu seconded to accept Complaint Review Committee's

recommendation for dismissal of complaint on the basis that investigation shows no wilful intent to misrepresent, and further there is evidence that developer revealed this fact to the buyer and commission upon discovering the error. Further recommend that developer be advised that buyer is entitled to a 6% interest on his money. Motion carried unanimously.

New Business:

LICENSING

Corporation

Ayers, Ltd. - 93 Kohola St., Hilo  
Jack L. Ayers, Jr., pb

Bilson Ltd. dba Billie Watters - Whalers  
Village G7, 2435 Kaanapali Prkway, Lahaina  
Millie J. Watters, pb

Downing & Associates, Ltd. - 2180 Main St.,  
#310, Wailuku  
Michael S. Downing, pb

Jo Dowsett & Associates, Inc. - 1108 Fort St.,  
Joanne M. Dowsett, pb Rm 1, Hon.

Fred Gerfen Associates, Inc. - 600 Kapiolani  
Blvd., #406, Honolulu  
Frederick H. Gerfen, pb

Kekuna, Ltd. - 820 Mililani St., #701, Hon.  
Constance C. Kekuna, pb

Kendor Realty, Inc. - 2080 S. King St., #207  
Kenneth K. Otake, pb

Lindemann, Inc. - 1750 Kalakaua Ave., #108  
Helen M. Lindemann, pb Hon.

Jan Mahuna, Inc. - 284 Kinooole St., Hilo  
Janice M. Mahuna, pb

B. J. Okuhara Realty, Inc. - 190 S. King St.,  
Bert J. Okuhara, pb #2480, Hon.

Pac Am Realty Corp. dba Pac Am - 1946 Young  
Marvin S. C. Dang, pb St., #420, Hon.

Shaunagh G. Robbins REalty, Inc. - 841 Bishop  
St., #220, Hon.  
Shaunagh G. Robbins, pb

Time-Space Concepts, Inc. - 302 Hon. Fed. Sav.  
Bldg, 45-114 Kam Hway, Kaneohe  
Ricky H. Taniguchi, pb

Watters/West, Ltd. - Whalers Village G7  
2435 Kaanapali Prkway, Lahaina  
Mary J. Boettcher, pb

Branch Office

Amfac Property Development Corp. - 2533 Kekaa  
Dr., Box 696, Lahaina  
Stephen H. MacMillan, bic

Hartford Realty, Inc. - 922 C McGregor Ln, Hon.  
William L. Haxton, bic

Tradenname

Francis Chang Realty - Francis H. Chang, dba

Clyde's Realty - Clyde T. Miyamura, dba

Horizon Properties - Joel Cooperson, dba

Income Realty - Jerry L. Snow, dba

Nakamura Realty - Ted T. Nakamura, dba

P. S. Realty - William T. Perry, dba

Pueo Realty - Joseph J. Jerva, dba

Risner & Associates - Christine E. Risner, dba

Royal Properties - Robert P. Tema, dba

Toru Kawakami moved and Tadayoshi Ishizu  
seconded to ratify the action of the staff  
in approving the corporation, branch office  
and tradenname applications. Motion carried  
unanimously.

Corporation Name Change

Arata Realty, Inc. - formerly Arata, Inc.

Toru Kawakmi moved and John Urner seconded  
to ratify the name change of Arata Realty,  
Inc. Motion carried unanimously.

Professional Realty Company of Oahu, Inc. -  
(formerly Top Dollar Realty, Inc.)

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the name change but to send a letter of warning for advertising too early. Also, advise that they must advertise under full corporate name (not under "Pro"). Motion carried unanimously.

After considerable discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to have an investigation be conducted regarding Professional Realty Company of Oahu, Inc.'s advertisement for misleading the public without a proper name under Rule 1.11(a).

Ayes: Edwin Shiroma, Tadayoshi Ishizu,  
Joseph Blanco, Toru Kawakami and  
John Urner

Chairman Morris abstained due to possible conflict of interest. Motion carried.

Application for License - past 1 year

Harvey L. W. Lum

It was moved by Edwin Shiroma and seconded by Toru Kawakami to grant Harvey Lum an informal conference to discuss his application at the next meeting. Motion carried unanimously.

Questionable Application

Ackerson Associates, Inc. dba Devereux/Ackerson & Associates

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to deny the use of Ackerson Associates, Inc. dba Devereux/Ackerson inasmuch as we do not have a licensed broker by the name of Devereux Ackerson. They must comply with Rule 2.3(b) of Commission's rules and regulations. Motion carried unanimously.

Miscellaneous:

Honolulu Towers

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



Melvin Kaneshige, attorney representing the developer, appeared before the Commission to discuss the matter.

After a lengthy discussion, the Commission felt that the requirements for issuance of the preliminary public report had been fulfilled so there was no reason to withhold the issuance of the report. As to the matter of the reservation arrangement with the owner-occupants who responded to the newspaper ad by telephone and visits to the office, the Commission felt that this was a matter which the developer had to resolve without any direction from the Commission.

Edwin Shiroma moved and John Urner seconded to approve issuance of the report but that a letter of warning be sent to developer that hereafter on new projects they should follow procedures according to law. Motion carried unanimously.

#### Study of a Separate Real Estate Division

Edwin Shiroma moved and John Urner seconded to add this matter to the agenda. Motion carried unanimously.

Dr. George Ikeda, representing SSRI, University of Hawaii, appeared before the Commission to present his proposal to conduct the research on study of a separate real estate division mandated by S.R. No. 166, S.D. 1, S.C.R. No. 34, S.D. 1, 1980 legislative session. The Commission requested that Dr. Ikeda meet with the Commissioners about a week later to discuss and amend the proposals containing the changes the Commission requested.

#### Request of Philip C. Gevas for 2 years Experience Waiver

Philip Gevas, by letter, requested experience waiver to take the broker's exam.

After considerable discussion, Executive Secretary was directed to notify Gevas that Commission could not determine whether we can give him any waiver on the basis of what was submitted because we have no way of determining whether he was actually a consultant or an analyst or whether he was working for a consultant or analyst. As far as the education is concerned, Commission cannot make any determination without the transcript of the courses completed.

Request of Marc Goldston

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

Letter requesting waiver of the 1 year requirement was received due to Goldston's severe medical problem.

Following discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to grant the waiver for Goldston's real estate salesman license. Motion carried unanimously.

Request of Irvin Cohen for Rating Standard for Condition of Home

By letter dated August 9, 1980, Ujimori Real Estate and Development Ltd. requested MLS and others to develop rating standards on conditions of homes.

Executive Secretary was directed to forward the matter to the Honolulu Board of Realtors.

Representatives from ACT and ETS

Joseph Blanco moved and Tadayoshi Ishizu seconded to add the above subject matter to the agenda. Motion carried unanimously.

Executive Secretary announced that Dick Okaji, Licensing Administrator, has invited both ACT and ETS representatives to the November 21 meeting to meet with the Commission. Each representative will make a presentation of programs and services they have to offer.

Public Hearing on Rules

Public hearing on Rules in the Ramseyer form has been scheduled for Friday, October 31, 1980.

1980 NARELLO National Conference

The following were selected to represent Hawaii at the 1980 NARELLO National Conference in Boston, Massachusetts, to be held October 19-22, 1980:

G. A. "Red" Morris  
Tadayoshi Ishizu  
Executive Secretary

Correspondence:

Joseph Blanco moved and Tadayoshi Ishizu seconded to add the following subject matters to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

Towne Realty of Hawaii, Inc.

By letter dated September 23, Dan Ukishima, attorney for Towne Realty of Hawaii, Inc., inquired whether or not his client need to secure a 100% performance bond on a project that has been substantially completed.

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to ask the Attorney General's office for an opinion on this matter. Motion carried unanimously.

Inquiry by Greg Natori

By letter, Greg Natori inquired if offering gifts to potential sellers if they list their properties with him would be a violation of the laws or rules and regulations.

The general consensus was that it is against the law to offer gifts to potential sellers since this constitutes an inducement.

Date of Next Meeting:

Friday, October 31, 1980, 9:00 a.m.  
Board Room, Kamamalu Bldg

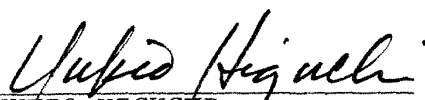
Adjournment:

There being no other business to transact, Chairman Morris adjourned the meeting at 4:05 p.m.

Taken and recorded by:

  
Saeko Whang, Secretary

APPROVED:

  
YUKIO HIGUCHI  
Executive Secretary