

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

MINUTES OF MEETING

Date: Friday, October 31, 1980

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
Tadayoshi Ishizu, Member
Toru Kawakami, Member
John M. Urner, Member
Ralph S. Yagi, Member
Gregg T. Yamanaka, Member

Tany S. Hong, Director
Randall Y. Iwase, Deputy Attorney General
Melvin Y. Nishimoto, Deputy Attorney General
Yukio Higuchi, Executive Secretary
Saeko Whang, Secretary

John Spalding, President of RESAH
Nelson Christensen, Attorney representing Mark J.
Peterson and Glenn O. Hay, Jr.
Daniel Ukishima, Attorney representing Towne
Realty of Hawaii, Inc.
Jeffrey S. Grad, Attorney, representing Michael C.
Johnson
Michael C. Johnson, Applicant for real estate
salesman license
Lloyd Bond, Johnson's present employer
John Ramsey, representing Crossroads Press
Dr. Richard Haney, Present Real Estate Chairholder
Steve Carr, Applicant for real estate salesman
license
Edith Chow, Licensee
M/M Wai Jun Igob, Future Licensees

Absent: Francis N. Kauhane, Member

Call to Order: The meeting was called to order by Chairman
G. A. "Red" Morris at 9:30 a.m. after holding
a hearing.

The Executive Secretary apprised that the agenda
for today's meeting was duly filed on Tuesday,
October 28, 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 August 28, 1980 and September 26, 1980 as circulated. Motion carried unanimously.

Committee Reports:

Real Estate Education Advisory Council

Real Estate Education Specialist Report

R.E. Seminar

In the absence of Sandy Holck, Real Estate Education Specialist, Executive Secretary requested Commission' approval to pay \$875 to John Reilly for his services rendered at the seminar at \$50 per hour.

Edwin Shiroma moved and Ralph Yagi seconded to approve payment of \$875 to John Reilly. Motion carried unanimously.

Book Donation

Executive Secretary reported that Commission has received the order of "Condo Home" booklets and it is being distributed over the counter to anyone who wishes to pick up a copy.

Commission Newsletter

Chairman Morris introduced John Ramsey of Crossroads Press, who is going to do the writing for the December newsletter.

Reference Manual

Dr. Richard Haney, Real Estate Chairholder, was present to discuss the proposed reference manual and to give the commissioners an opportunity to express what direction to take.

After a lengthy discussion, it was decided to defer this matter until next month.

Laws and Rules Review Committee Report

Proposed Amendments to Brokers and Salesmen
Rules and Regulations

Chairman Toru Kawakami summarized what has been discussed at the committee meeting regarding Prospective Amendments to Commission's Rules Chapter 20. He mentioned that Licensing Administrator Dick Okaji submitted comments on restoration of forfeited licenses.

HPR Rules and Regulations

Executive Secretary reported that the hearing on HPR rules has been held on October 30, 1980 but action for adoption has been deferred to give public an opportunity to submit additional testimony by November 10, 1980.

Brokers and Salesmen Rules & Regulations

Toru Kawakami moved and Ralph Yagi seconded to adopt the conversion of the substantive and procedural rules, which hearing was held today. Motion carried unanimously.

Real Estate Division Study

Director Tany Hong personally appeared to inform the Commission that the agreement concerning the study of a real estate division with Dr. George Ikeda of S.S.R.I., University of Hawaii, and the Department has been approved.

Edwin Shiroma moved and Tadayoshi Ishizu seconded to approve the real estate division study memorandum agreement between S.S.R.I. and the Dept. of Regulatory Agencies. Motion carried unanimously.

Business Out
of Minutes:

Questionable Applications

Richard I. Dan (salesman applicant)

This matter has been placed on the agenda for several months but Richard Dan failed to make any appearance.

After much discussion, Ralph Yagi moved and Tadayoshi Ishizu seconded to direct Executive Secretary to place the application on file until Richard Dan asks for

reschedule of the informal conference.
Motion carried unanimously.

Harvey Lum

Harvey Lum appeared for an informal conference with the Commission to discuss his application for a real estate salesman license.

After a question and answer period. Ralph Yagi moved and Tadayoshi Ishizu seconded to approve application of Harvy Lum. Motion carried unanimously.

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

Shew Ting Chun (new license applicant)

At the August meeting, Commission requested Attorney General's opinion as to this application.

Executive Session:

Toru Kawakami moved and Tadayoshi Ishizu seconded to go into executive session to discuss confidential matter of this applicant. Motion carried unanimously.

Out of Executive Session:

Ralph Yagi moved and Tadayoshi Ishizu seconded to move out of executive session and back into regular session. Motion carried unanimously.

Ralph Yagi moved and John Urner seconded to approve Shew Ting Chun's application for real estate salesman license. Motion carried unanimously.

Towne Realty of Hawaii, Inc.

Towne Realty of Hawaii, Inc. took over an unfinished project and through its attorney, Daniel Ukishima, is requesting to put up the performance bond for work not yet finished.

Ukishima appeared to discuss this matter with the Commission. He stated that the Developer assumed the whole project and is willing to present to the Commission (1) certificate from the architect as to what work has been done and what work has to be done yet; (2) affidavit from the

Developer indicating assumption of the warranty period for the whole project; (3) the time lien period runs out; and (4) (4) a performance bond to cover the amount of the unfinished work.

After much discussion, Edwin Shiroma moved and Ralph Yagi seconded to grant request on the basis that this is a special case where the previous developer was in trouble and that the Developer is putting up the construction money. Motion carried unanimously.

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

Attorney Nelson Christensen, representing the Respondents appeared to present oral arguments to the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order.

State's attorney, Deputy Attorney General Melvin Nishimoto rebutted the oral arguments. He argued that Hearings Officer's recommendation be upheld.

Christensen was given an opportunity to rebut State counsel's arguments.

Executive Session:

Edwin Shiroma moved and Tadayoshi Ishizu seconded to go into executive session to check the legal points with Deputy Attorney General Iwase on this matter. Motion carried unanimously.

Out of Executive Session:

Ralph Yagi moved and Tadayoshi Ishizu seconded to move out of executive session and into regular meeting. Motion carried unanimously.

Following considerable discussion, Edwin Shiroma moved and Joseph Blanco seconded to uphold Hearings Officer's findings of facts, conclusions of law and recommended order. Motion carried unanimously.

RE-79-137 Sleeping Giant Realty, Inc.
RE-79-34 Levy Realty, Inc.
RE-79-138 Fred Rackle dba Makaha Realty

Joseph Blanco moved and Ralph Yagi seconded to add the above matters to the agenda in compliance with the Sunshine Law. Motion carried unanimously.

RE-79-137 Sleeping Giant Realty, Inc.

Executive Secretary advised that Commission should wait until next month to afford the Respondent an opportunity to file its Exceptions to hearings officer's findings of fact, conclusions of law and proposed order.

RE-79-34 Levy Realty, Inc.

Toru Kawakami moved and Ralph Yagi seconded to accept the Hearings Officer's recommended order. Motion carried unanimously.

RE-79-138 Fed Rackle dba Makaha Realty

Edwin Shiroma moved and Tadayoshi Ishizu seconded to reject the Hearings Officer's recommended order. Motion carried unanimously.

On a second motion, Edwin Shiroma moved and Toru Kawakami seconded for a counter proposal to (1) that the newspaper advertisement be reduced from two weeks to "within a reasonable time" and (2) the ad be changed to "units available" if more than 1 unit available. Motion carried unanimously.

Deputy Attorney General Melvin Nishimoto was requested to get back to the Respondent to effect a new settlement agreement with the foregoing changes.

Edwin Shiroma moved and John Urner seconded to add the following two matters to the agenda. Motion carried unanimously.

Steven Carr

By letter dated October 30, 1980, Steven Carr requested an informal conference in lieu of a formal hearing and made his appearance to discuss the matter.

After the question and answer period, John Urner moved and Tadayoshi Ishizu seconded to approve Steven Carr's application for real estate salesman license. Motion carried unanimously.

Sandra Joors Real Estators, Ltd. (RE-80-41)

At the August meeting, Commission dismissed this complaint. Subsequently Complainant sent a letter indicating that he did not agree with Commission's decision and furnished additional information.

After discussion, Edwin Shiroma moved and Ralph Yagi seconded to have further investigation pertaining to the escrow account. Motion carried unanimously.

Investigations:

Edwin Shiroma moved and Tadayoshi Ishizu seconded to accept the following recommendations of the Complaint Review Committee. Motion carried unanimously. (RE-80-62 to CON-80-11)

RE-80-62 Forent Realty Corporation

At the July 25, 1980 meeting, Commission decided to dismiss complaint on basis that investigation failed to substantiate the allegations made and there appeared to be no violation of the real estate license law or Commission's rules and regulations. However, prior to our sending our letter to Complainant, he submitted additional information to be considered in deliberation of complaint. Upon review of the additional material, it appears that it does not add anything further that would alter the investigation findings.

Commission reaffirmed its earlier decision to dismiss complaint.

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

At the September 28, 1979 meeting, Commission found Respondent Herzog in violation of Section 467-7 (unlicensed activity) but dismissed complaint with a strong letter of warning because Marantha Resorts Hawaii went out of business and the Commission found the records to be satisfactory. On December 18, 1979, the Complainat submitted additional evidence of fraud by Herzog. The case was reopened for investigation and supplementary report was submitted on September 11, 1980.

After reconsidering the earlier decision and additional materials, formal hearing to be held for violation of Section 467-14(2), (7), (8),

and (12), HRS, and Rule 1.3(a) of the Commission's rules and regulations.

RE-79-128 Kavana Realty, Inc.

At September 28, 1979 meeting, the Commission requested further investigation be made on Kavana Realty, Inc.'s clients' trust account to determine whether or not Peter Vana is signing clients' account checks, thereby acting as a broker when he only holds a salesman license. After review of investigation findings, dismiss complaint on basis that investigation indicates that there appears to be no violation of the real estate license law or the Commission's rules and regulations.

RE-79-194 Island Wide Associates, Ltd.

Dismiss complaint on grounds that investigation revealed that Island Wide Associates, Ltd. and Troy A. Hudson had not violated our real estate license law or Commission's rules and regulations.

RE-80-47 Thomas Nakahara Realty, Inc. and Setsuo Yamada

Dismissal of complaint on grounds that investigation indicates that Setsuo Yamada and Thomas Nakahara Realty, Inc. had not acted unethically nor had they violated the real estate license law or Commission's rules and regulations.

RE-80-68 Island Resort Management, Inc. and Thomas Schmidt

Proceed to a hearing on the following licensees as follows:

Jon Rich for possible violation of Sections 467-14(1), (3), (7), (8), and (12), H.R.S., and Rule 1.3(a), (e), and (o), Rule 1.4(a), (c), and (d), and Rule 1.5(a) and (c) of the Commission's rules and regulations.

Linda Kurosawa for possible violation of Section 467-14(6), HRS.

Tom Schmidt for possible violation of Section 467-14(1), (3), (7), (8), and (12), HRS., and Rule 1.3(a), (e), and (o), Rule 1.4(a) and (c), of the Commission's rules and regulations.

RE-80-83 Mike McCormack Realtors and Aaron M. Chaney, Inc.

Dismissal of complaint on grounds that the investigation failed to uncover sufficient evidence of violation of the real estate license law or Commission's rules and regulations. The Committee felt that agents for seller and buyer took reasonable action to determine whether there was any problem that could result in assessments. Further recommend that a letter of recommendation be forwarded to Aaron M. Chaney, Inc. to instruct their account managers and resident managers to give accurate and complete information pertaining to existing and pending problems and assessments upon request by seller, buyer or their agents.

RE-80-85 Island Homes dba Island Homes Rental and Raymond P. Berg

Dismissal of complaint on grounds that investigation indicates that Respondent did attempt to represent Complainant's best interest, and further, that Complainant's attorney was kept apprised relative to the unit rental status.

RE-80-90 AR Corp. dba Certified Management

Dismissal of complaint as investigation indicates that there appears to be insufficient evidence to support the Complainant's allegations.

RE-80-121 Charles Kaopua and Petranella Smith

Dismissal of complaint on basis that investigation indicates that there is insufficient evidence to support the allegation of unlicensed activities on the part of Kaopua and Smith. Letter of warning to Kaopua and Smith to refrain from rental activities until properly licensed.

RE-80-119 Raymond F. Barrett

RE-80-131 James T. F. Anderson dba Jim Anderson Realty

RE-80-132 Stanley Tobias

RE-80-133 Professional Realty Corp.

To send all letters that they are in violation and this is a warning to cease and desist from violating Rule 1.11(a).

CON-80-9 Hartford Holdings, Ltd.

Dismiss complaint on basis that this appears to be a civil matter over which the Commission has no jurisdiction. Advise Complainant that it is not a function of the Commission to interpret or enforce provisions of contract.

CON-80-11 Manoa Estates Partners, Ltd.

Dismiss complaint on basis that this appears to be a civil matter over which the Commission has no jurisdiction. Complainant be advised that it is not a function of the Commission to interpret or enforce provisions of contract. Furthermore, investigation revealed that Complainant has met with Respondent to settle their differences.

Re-80-23 Hallmark Properties, Inc.

After review of the supplementary report and a lengthy discussion, Ralph Yagi moved and John Urner seconded to have an investigation check with the federal court October 3, 1980 bankruptcy proceedings as to who really owns Hawaii Loa Ridge; and at that point, if it is found that the bankruptcy proceedings is completed, request investigator to go back to Hallmark Properties and look up the records. Motion carried. Toru Kawakami abstained due to possible conflict of interest.

RE-80-96 Shirley W. Kim

After discussion, Gregg Yamanaka moved and Tadayoshi Ishizu seconded to proceed to a formal hearing for not ascertaining all pertinent facts based on not going back to the original documentation.

Ayes: Gegg Yamanaka, Tadayoshi Ishizu, Toru Kawakami, Ralph Yagi and Edwin Shiroma
Nay: Joseph Blanco
Motion carried

CON-79-18 E.Y.F. Development, Inc.

Following a lengthy discussion, Edwin Shiroma moved and Joseph Blanco seconded to defer action on this matter and request for further investigation to determine the quality and cost of the replacement of the carpet. Motion carried unanimously.

New Business:LICENSINGCorporation

- Randy Abbott Realty, Inc. - 5022 Lawai Beach
Randall P. Abbott, pb Rd., Koloa, HI
- Bruce Investments Ltd - 1833 Kalakaua Ave.,
Penny L. Pagliaro, pb #609, Hon.
- Fahrni Realty Waikiki, Inc. - 339 Saratoga Rd.
Leonard W. Fahrni, pb #12, Hon.
- The Harmony Co., Ltd. - 733 Bishop St., #1915
Marysia M. Coleman, pb Hon.
- Hawaiian Homes Realty, Inc. - 1314 S. King St.,
Clark L. Thompson, pb #856, Hon.
- Interstate Investments, Inc. - 250 S. Hotel St.
Larry T. Topliss, pb #200, Hon.
- Investment Seminars, Inc. - 1314 S. King St.,
Gerda Liahjell, pb #1060, Hon.
- Harriet Klark, Inc. - 900 Fort St., #909, Hon.
Harriet Klark, pb
- Clarence A. Lee, Inc. - 770 Kapiolani Blvd.
Clarence A. Lee, pb #111, Hon.
- MBC Realty Corp. - 1314 S. King St., #1451,
Donald C. G. Look pb Hon.
- Management Realty, Inc. - 318 Kamehameha Ave.
Glenn S. Shiroma, pb #7, Hilo
- Nunbetter Land Co., Inc. - 841 Bishop St.,
Gregory M. Duggan, pb #2009, Hon.
- Omega Financial Planning Corp. of Hawaii, Inc.
dba Omega Realty - 190 S. King St., #1430,
Kenneth K. Nishibun, pb Hon.
- Paradise Management Corp. - 50 S. Beretania St.
Gerald L. Larson, pb C207, Hon.
- Teixeira Inc. dba Aina Haina Realty - 112
Aina Haina Shopping Ctr, Hon.
Charles R. Teixeira, Jr., pb
- Timberlake & Associates, Inc. - 1750 Kalakaua
Scott P. Timberlake, pb Ave., #1305, Hon.

Worrall, Inc. - 4211 Waiialae Ave. Hon.
Mary Worrall, pb

Yamanaka Enterprises, Inc. - 116 Kamehameha Ave .
Vern Yamanaka, pb Hilo, HI

Branch Office

A & B Properties, Inc. - P. O. Box 171, Eleele
Larry Y. Nishikawa, bic

Kauai Properties, Inc. - 4-734 Kuhio Hwy, Kapaa
Yoshiko I. Kano, bic

Sara L. Williams - 910 Honoapiilani Hwy #8
West Maui Ctr, Lahaina
Bette J. Stone, bic

Tradenname

Amber Real Estate - Daphne L. Amcotts, dba

Blas Realty Co. - Vicente T. Blas, dba

Brother's Realty - Min Ho Yang, dba

Central Pacific Realty - Steven Szekeres, dba

Century 21 Floyd Living Realty - Floyd C.
Loving, Jr., dba

Fairway Realty - Raymond M. Kimura, dba

Josbon Realty - Hillery A. Johnston, dba

Harley J. Kaufman Realty - Harley J. Kaufman, dba

Millie Kingsley Realty - Mildred L. Kingsley, dba

Mr. Realy State Hawaii - Douglas T. Huffman, dba

Nielsen Realty - Darlyne L. Nielsen, dba

Rosewood Real Estate - Rosemary A. Smith, dba

Travis Curd Realty - Travis A. Curd II, dba

Name Change - Corporations

Atlantic & Pacific Properties Ltd. dba Ohana
Properties (formerly BCG Corp.)

Duvereux/Ackerson & Associates, Inc.
(formerly Ackerson & Associates, Inc.)

H & S Realty, Inc.
(formerly Jean Marie, Ltd.)

Stark J. Marie, Ltd.
(formerly Jean Marie Ltd.)

Urban Realty Corporation
(formerly Mahua Aina Investment Corp.)

Edwin Shiroma moved and Tadayoshi Ishizu seconded to ratify the action taken by the staff in approving the corporation, branch office, tradename and name change applications. Motion carried unanimously.

Application for License - past 1 year

John E. Neubeker

Tadayoshi Ishizu moved and Edwin Shiroma seconded to approve John Neubecker real estate salesman license. Motion carried unanimously.

Dale E. Silver
Antoinette L. Woolley

Edwin Shiroma moved and Tadayoshi Ishizu seconded to deny applications for real estate salesman's licenses of Dale Silver and Antoinette Woolley. Motion carried unanimously.

Restoration - past 2 years

Donald R. Connors

Edwin Shiroma moved and Joseph Blanco seconded to approve restoration of Donald Connors' real estate salesman license upon submitting proof that he is licensed in the State of California and also has a MBA certificate. Motion carried unanimously.

Questionable Application

Michael C. Johnson

Michael Johnson appeared with his attorney, Jeffrey Grad, and Lloyd Bond, his present employer, to discuss his application.

After the question and answer period, Edwin Shiroma moved and Ralph Yagi seconded to approve Johnson's application for real estate salesman license. Motion carried unanimously.

Miscellaneous: Meetings with ETS and ACT Representatives

Executive Secretary announced that the meetings with ETS and ACT representatives for presentation of their programs and services will be held on Thursday, November 20, 1980.

Francis Palmatier's Request for Reconsideration of Rejected Application for Broker Examination

Francis Palmatier requested reconsideration to sit for the broker examination and submitted additional information.

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to reaffirm its denial. Motion carried unanimously.

Mary Shern's Request for Ruling on School's Certification of Students

By letter dated October 2, Mary Shern requested Commission review its interpretation regarding completion of pre-license course before certification of its students.

After discussion, Edwin Shiroma moved and Ralph Yagi seconded to direct Executive Secretary to write to all real estate schools reminding them that the school curriculum must be completed before certification. Motion carried unanimously.

Hawaii Island Board of Realtors Letter Re: Character of Licensee

Executive Secretary reported that he received a letter from the President of Hawaii Island Board of Realtors in reference to a newspaper article regarding a recently licensed broker who was convicted of a stolen car ring in California.

After discussion, Edwin Shiroma moved and Tadayoshi Ishizu seconded to proceed to an investigation for possible violation of sections 467-14(8) and 467-29. Motion carried unanimously.

Proposed Goals & Objectives of the Real Estate Commission

As requested, Ralph Yagi moved and Tadayoshi Ishizu seconded to add this matter to the agenda. Motion carried unanimously.

Chairman Morris circulated copies of his re-draft memo dated 10/27/80 regarding short and long-range programs which the Commission can use as a guideline or direction subject to change.

Joseph Blanco moved and Edwin Shiroma seconded to accept Chairman's memorandum. Motion carried unanimously.

Date of Next Meeting:

Friday, November 21, 1980, at 9:00 a.m.
Board Room, 1010 Richards St., Honolulu

Adjournment:

There being no other business to transact, meeting adjourned at 4:40 p.m.

Taken and recorded by:



Saeko Whang, Secretary

APPROVED:



YUKIO HIGUCHI
Executive Secretary