

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

MINUTES OF MEETING

Date: Friday, February 27, 1981

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

Sandy Holck, Real Estate Education Specialist  
George Arine, Executive Secretary  
Saeko Whang, Secretary

Dr. Richard L. Haney, Jr., Real Estate Chairholder  
David Bess, Acting Dean, College of Business Admin.,  
Univ. of Hawaii  
Richard Daggett, President of RESAH  
Sheila Lau, Education Director, Hawaii Ass'n  
of Realtors  
William R. R. Wood, representing WRW, Inc.  
David T. Kitabayashi, applicant for real estate  
salesman license  
Scott L. Mitchell, applicant for real estate  
salesman license  
Richard Bischoff, applicant for real estate  
salesman license  
Gail Kubo, applicant for real estate salesman license  
Rand E. Robinson, applicant for real estate  
salesman license  
Jeffrey W. Pang, applicant for real estate salesman  
license  
Ray Hewitt, applicant for real estate salesman  
license

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

Call to Order: There being a quorum present, the meeting was  
called to order by Chairman G. A. "Red" Morris  
at 9:15 a.m.

The Executive Secretary apprised that the agenda for today's meeting was duly filed on Monday, February 23, 1981 at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes:

Approval of the minutes of January 30, 1981 was deferred as it was not prepared in time.

Committee Reports:

Real Estate Education Advisory Council

Real Estate Education Specialist Report

The Education Committee met on February 13 and selected Larry E. Wofford as the next Real Estate Chairholder.

Edwin Shiroma moved and Toru Kawakami seconded to approve Dr. Larry Wofford as our next Real Estate Chairholder. Motion carried unanimously.

New Bulletin

Dr. Richard Haney will write an article on "Equal Credit Opportunity Act" in the Commission's quarterly news bulletin.

Request of Cathi Watson

Sandy Holck reported that the Education Committee reviewed the film on "Mathematical Skills". He recommended that it does not justify the use of money from the real estate education fund and that the licensees won't directly benefit from it.

Joseph Blanco moved and Toru Kawakami seconded to accept the recommendation of the real estate education specialist. Motion carried unanimously.

OCP Handbook

Through Sandy Holck, OCP requested monetary contribution from the real estate education fund to reprint "Landlord-Tenant Code" handbook.

This matter was deferred to the March meeting.

Amendment to Real Estate Education Specialist Contract

After discussion, Toru Kawakami moved and Edwin Shiroma seconded to amend the real

estate education specialist contract by additional \$6,000 subject to approval of justification. This additional fund will be expended to hire a consultant to help draft the Commission's rules. Motion carried unanimously.

#### Monitoring of Neighbor Island Schools

After a lengthy discussion, Edwin Shiroma moved and John Urner seconded to allow real estate education specialist to monitor the neighbor island schools at least one and check on the schools. He will submit a written report to the Commission. Motion carried unanimously.

#### Real Estate Chair

##### Funding for Year 1982

Acting Dean David Bess was present to request Commission's approval for funding of the Chair for 1982.

Chairman Morris assured that the Chair will be funded for 1982 however requested that College of Business Administration provide the Commission with the proposed program for the Chair during this time frame.

Edwin Shiroma moved and Toru Kawakami seconded to approve funding for 1982. Motion carried unanimously.

##### Selection of Future Chairholders

Commissioner Shiroma requested that selection of future Chairholders be made early enough so that Commission will not be confronted with time constraints.

##### Request for Increase in Funding of Chair

Acting Dean David Bess requested an increase in funding the Real Estate Chair inasmuch as the University is having difficulty obtaining or attracting qualified real estate chairholders.

Chairman Morris requested that a proposal justifying the increase be submitted by the next Commission's meeting.

Laws and Rules Review Committee Report

Toru Kawakami, Chairman, reported that the following were discussed at yesterday's meeting:

1. Sandy Holck and Licensing Administrator are both working on the amendments regarding restoration of forfeited licenses.
2. Discussed the matter of Reinwald's letter regarding definition of Attorney General's interpretation of sharing commissions with foreign country brokers with is covered under "Business Out of Minutes."
3. Darryl Choy, hearings officer, is still working on the declaratory ruling on Nanea Apartments (CON-DR-81-1). This matter will be ready for the March meeting.
4. Inasmuch as Yukio Higuchi, Executive Secretary, is still on medical leave, Executive Secretary George Arine was requested to check on the status of the proposed amendments. Is it necessary to hire a consultant to complete the rules - what needs to be done.

Business Out  
of Minutes:

Questionable Applications

Edwin Shiroma moved and Tadayoshi Ishizu seconded to add the names of Jeffrey Pang and Ray Hewitt to the agenda. Motion carried unanimously.

David T. Kitabayashi (s)

Scott Lee Mitchell (s)

Richard Bischoff (s)

Gail Kubo (s)

Rand E. Robinson (s)

Jeffrey Pang (s)

Ray Hewitt (s)

David Kitabayashi, Scott Mitchell, Richard Bischoff, Gail Kubo, Rand Robinson, Jeffrey Pang and Ray Hewitt appeared separately, waived their rights to formal hearings in lieu of the informal conferences to discuss their applications.

Joseph Blanco moved and Tadayoshi Ishizu seconded to deny David Kitabayashi's application for real estate salesman's license. On the same motion, Blanco moved, seconded by Ishizu to approve Scott Mitchell, Richard Bischoff, Gail Kubo, Rand Robinson, Jeffrey Pang and Ray Hewitt's applications for real estate salesman license. Motion carried unanimously.

Arthur B. Reinwald's request on Definition of Attorney General's interpretation of Section 467-14(13)

After discussion, Commissioners were in agreement that the Attorney General's opinion on Section 467-14(13) dated December 15, 1971 is clear and that Commission will hold fast on that ruling. Executive Secretary was requested to reply to Attorney Arthur Reinwald.

Investigations:

RE-80-67 Hawaii-Nevada Investment Corp.

RE-80-116 Hawaii-Nevada Investment Corp.

RE-80-126 Hawaii-Nevada Investment Corp.

After considerable discussion, Edwin Shiroma moved and Toru Kawakami seconded to (1) appoint a subcommittee consisting of Oahu members to meet and discuss the matter with Director, Deputy Director and Dan Lee. What can Commission do now regarding those licensees who are still selling; (2) send letters to those concerned (Director, Attorney General and Governor) making them aware of this matter and requesting cooperation to expedite the investigation. Motion carried unanimously.

Toru Kawakami moved and Tadayoshi Ishizu seconded to accept the following Complaint Review Committee's recommendations. (RE-80-55 to RE-80-127)

RE-80-55 Real Estate Locators, Inc. & David E. Reeves

Proceed to a formal hearing for possible violations of Section 467-14(1), (6), (7), (8), (10) and (14) and Board's rules 1.3(a), (b), (d), (e), (f), (g) and (j) and rule 1.4 as presented in complaint disposition.

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RE-80-61 Lilly C. Anderson

To refer the case back to RICO to subpoena Respondent's file to determine (1) if Prestige Realty, Inc. has a broker from March 1979 to May 1980 and (2) who was the selling agent for the 400 unit development.

RE-80-72 Valley Isle Realty, Inc.

To dismiss complaint since no violation of Chapter 467. Complainant has received full refund of his \$10,000 deposit.

RE-80-115 Bonanza Realty, Inc.

Dismissal of complaint since no violation of Chapter 467, H.R.S.

RE-80-111 Mary D. Bagley

To dismiss complaint since no violation of Chapter 467. Respondents did whatever they could to close transaction and acted in the best interest of Complainant.

RE-80-113 Arthur G. T. Kam

Send a warning letter to Respondent that all obligations and agreement should be in writing in accordance with Rule 1.3(f) and a detailed inventory list should be furnished.

RE-80-128 Rainbow Holiday Properties, Ltd.

To dismiss complaint since no violation of Chapter 467.

RE-80-151 Realty Specialists Corp.

Dismissal of complaint.

RE-80-152 Royal Aloha Realty and Property Management, Inc.

RE-80-158 Royal Aloha Realty and Property Management, Inc.

Proceed to hearings on both complaints.

RE-80-180 Sleeping Giant Realty, Inc.

To hold a hearing on this matter. Toru Kawakami was excused for possible conflict of interest.

CON-80-8 In-Sites: A Land Corporation

Request further investigation to determine

- a. Where is the deposit; who has it?
- b. Why weren't funds deposited into escrow?
- c. What is Kimberly Financial's connection in this case and how did it get hold of the deposit? Shouldn't deposit be held in Hawaii?
- d. Why does the purchase and sale agreement show \$2,500 deposit and investigations report \$3,000?
- e. Check with Title Guaranty Escrow as to their position in this complaint as the escrow holder. Why didn't they process the deposit?
- f. Was it revealed to all parties that Kimberly Financial in California could hold deposits?

Joseph Blanco was excused on the following two complaints for possible conflict of interest.

RE-80-117 Hawaiian Properties, Ltd.

Request case be returned to RICO for copy of rental and management contracts. Clarification is needed on what Randy Podal's functions are as property manager. Also possible unlicensed real estate activity.

RE-80-127 Hawaiian Properties, Ltd.

Request case be returned to RICO for copy of rental and management contracts. Where is rental agreement between parties and who signs it. Also, refer to OCP for possible unlicensed activity. Nevelle's losing his deposit appears to be a civil matter.

Motion carried.

RE-81-9 Great Hawaiian Realty, Inc.

Edwin Shiroma was excused on this matter due to possible conflict of interest.

Joseph Blanco moved and Tadayoshi Ishizu seconded to refer this matter for further investigation to determine if there are any possible violations of Section 467 and Commission's rules and regulations.

Motion carried.

New Business:

LICENSING

Corporation

- Jim Brown Realty, Inc. - 153 Hamakua Dr.,  
James E. Brown, Sr., pb Kailua
- CWS, Inc. - 33 So. King St., #509, Hon.  
Campbell W. Stevenson, pb
- The Fontillas Group, Inc. - 915 Fort St., #605,  
Shirleen K. Fontillas, pb Hon.
- Heritage Homes, Inc. - 50 So. Beretania St.,  
Joseph M. Taitano, pb Ste C-119, Hon.
- Jerry H. Hirata, Inc. - 1059 Kilauea Ave.,  
Jerry H. Hirata, pb Hilo
- Patrick Leung, Inc. - 841 Bishop St., Ste 155  
Patrick M. Leung, pb Hon.
- Mandarin Development Corporation - 1015 Bishop  
John Veltri, pb St., Ste 640, Hon.
- Mutual Associates, Ltd. dba Realty Capital  
Exchange - 768 South St., Hon.  
Yukio Kashiwa, pb
- Pacific Circle Realty, Inc. - 900 Fort St. Mall  
Dean B. Spencer, pb Ste 1806, Hon.
- R.S.H.W. Corporation - 745 Fort St., Ste 2118  
Ken Mukai, pb Hon.
- V.H.K., Inc. - 841 Bishop St., Ste 2009, Hon.  
Vahe H. Kenadjian, pb

Branch Office

- Robert H. Middleton, dba Century 21 Aloha  
Kauai - Hanalei Kauhale Ctr #3 & 3A  
Nelson K. Hardenbergh, bic
- Holman & Sayles Realty, Inc. - 98-1268  
Kaahumanu St., #204, Pearl City  
John H. McCready, bic
- Hugh Menefee, Inc. - 1350 Ala Moana Blvd.,  
Resident Mgrs Office, Hon.  
Lois P. Abrams, bic
- Realty Resources of Hawaii, Inc. - 75-5729 T  
Alii Dr., Kailua-Kona  
Thomas M. Matthews, bic



Partnership

Investment Concepts - 75-5737 Kuakini Hwy,  
Ste 103, Kailua-Kona  
Jesse D. Cope, pb

Tradenname

Caryl Arquette - Carolyn E. Arquette, dba

Commercial Locations - John P. Haig, dba

Equity Investment Co. - Paul T. Rufo, dba

Liz Hamilton - Marie Elizabeth Hamilton, dba

Hiam Realty - Sharon P. Hiam, dba

Kauai Aina Enterprises - Thomas L. Alburger,  
dba

Sigma Realty - Geri R. Undheim, dba

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

Restoration of License - past 2 years

Donald R. Apa

Joseph Blanco moved and Tadayoshi Ishizu  
seconded to disapprove restoration of  
Donald Apa's real estate salesman's license;  
however, the Commission will waive the  
educational requirement for any one exami-  
nation he wishes to take. Motion carried  
unanimously.

William S. Brown

Tadayoshi Ishizu moved and Joseph Blanco  
seconded to deny restoration of William  
Brown's real estate salesman's license.  
Motion carried unanimously.

John T. Kaneshiro

Joseph Blanco moved and John Urner seconded  
to approve restoration of John Kaneshiro's  
real estate salesman's license. Motion  
carried unanimously.

Hugh S. Lovell

Tadayoshi Ishizu moved and Joseph Blanco seconded to disapprove restoration of Hugh Lovell's real estate salesman's license. Motion carried unanimously.

Farrel L. Sojot

Joseph Blanco moved and Tadayoshi Ishizu seconded to deny restoration of Farrel Sojot's real estate salesman's license. Motion carried unanimously.

Geraldine P. Wong

Tadayoshi Ishizu moved and Joseph Blanco seconded to deny restoration of Geraldine Wong's real estate salesman's license. Motion carried unanimously.

Michael Tsubata

Toru Kawakami moved and John Urner seconded to approve restoration of Michael Tsubata's real estate salesman's license. Motion carried unanimously.

Miscellaneous:

Legislation

Chairman Morris brought the members up to date on legislation bills and commented on S.B. 812, S.B. 1542 and H.B. 1736.

Kauai Board of Realtors ltr re: MLS listings of Sleeping Giant Realty, Inc.

Executive Secretary was directed to forward this matter to RICO for investigation.

Richard K. C. Lau's ltr re: Waiver of Educational Requirement

Toru Kawakami moved and John Urner seconded to grant Richard Lau waiver of educational requirement. Motion carried unanimously.

Clarence Wilson requesting Waiver of Experience Requirement

Joseph Blanco moved and John Urner seconded to grant waiver of experience requirement to Clarence Wilson. Motion carried unanimously.

ETS Examination Schedule for 1982

This matter was deferred inasmuch as there is a legislation bill introduced to increase the number of examinations to be given.

NARELLO Western District Meeting, Banff, Alberta - June 24-27, 1981

The following were selected to represent Hawaii at this meeting:

Tadayoshi Ishizu  
Edwin Shiroma  
G. A. "Red" Morris

RELE Committee Meeting - Princeton, New Jersey May 11-13, 1981

Representatives from Hawaii at this RELE meeting will be Joseph Blanco and Sandy Holck.

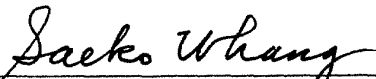
Date of Next Meeting:

March 27, 1981 at 9:00 a.m.  
Board Room, 1010 Richards St., Honolulu


Adjournment:

There being no other business to transact, meeting was adjourned at 3:00 p.m.

Taken and recorded by:

  
Saeko Whang, Secretary

APPROVED:

  
GEORGE ARINE  
Executive Secretary