

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

MINUTES OF MEETING

Date: Friday, April 24, 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  
Ralph S. Yagi, Member

Donald D. H. Ching, Deputy Director  
Sandy Holck, Real Estate Education Specialist  
Glenn Adachi, Temporary Executive Secretary  
George M. Arine, Executive Secretary  
Saeko Whang, Secretary

Dr. Richard L. Haney, Jr., Real Estate Chairholder  
Prof. Arthur Schwartz, Visiting Faculty  
Daniel Lee, Legislative Advocate, Honolulu Board  
of Realtors  
Violet King, Observer  
Donald W. Salter, applicant for real estate  
salesman license  
Jocelyn Sue Bender, applicant for real estate  
salesman license  
Barbara P. Champion, applicant for real estate  
salesman license  
Galicano M. Luansing, Jr., applicant for real  
estate salesman license  
Howard T. Rhoades, applicant for real estate  
salesman license  
Mary C. Bain, applicant for real estate salesman  
license  
Paul S. Lehman, applicant for real estate salesman  
license  
Jill E. Frierson, applicant for real estate  
salesman license  
Jerol N. Hanson, brother of Sylve Ann Montalbo,  
real estate salesman license  
Rai St. Chu, applicant for real estate broker license  
Dean Fukumoto, applicant for real estate salesman  
license  
Kathryn Thuet, applicant for real estate salesman  
license

Absent:

Gregg T. Yamanaka, Member  
Francis N. Kauhane, Member

Call to Order:

Chairman G. A. "Red" Morris called the meeting to order at 9:10 a.m.

The Executive Secretary apprised that the agenda for today's meeting was duly filed on Monday, April 20, 1981 at the Lt. Governor's office in compliance with the Sunshine Law.

Minutes:

Edwin Shiroma moved and Ralph Yagi seconded to approve the minutes of February 27, 1981 as circulated. Motion carried unanimously.

The minutes of March 27, 1981 was deferred as it was not prepared in time.

Committee Reports:

Real Estate Education Advisory Council

Real Estate Chair

Dr. Richard Haney, present Chairholder, introduced Prof. Art Schwartz, faculty on visiting basis, who may be useful in the research area and is available for any special projects.

Dr. Haney said that this is his last meeting with the Commission and he thanked the members for the support and the opportunity to work with.

Chairman Morris thanked Dr. Haney and wished him luck on his new endeavors.

Real Estate Education Specialist Report

Edwin Shiroma, Chairman of the Education Committee, reported that his committee had sought the assistance of the College of Continuing Education and Joseph Choy for supporting the possibility of developing a research center in Hawaii. Joe Blanco and Sandy Holck will visit the Department of Real Estate in California in mid May with Joseph Choy to discuss educational programs that are available there.

Shiroma informed the Commission of the short term and long term budgets and said that the Committee is still in the preliminary stages of investigation. They will report

back with further fact finding information when it is available. Hopefully by late June or early July, the Committee should be able to come up with sound proposals.

Chairman Morris requested that Joe Blanco discuss the following matters with ETS:

1. Appointment of a coordinator for Hawaii;
2. draft proposed amendments to Chapter 467 that would prohibit prelicensing courses from merely teaching students to take the exam; and
3. revision of the examination to include DROA, etc.

#### Real Estate Education Specialist Contract

Sandy Holck reported that the Department of Personnel Services approved his contract.

#### Real Estate Seminar

Ralph Yagi moved and Edwin Shiroma seconded to approve funds for coffee for the seminars. Motion carried unanimously.

#### Laws and Rules Review Committee Report

Toru Kawakami, Chairman of the Laws and Rules Review Committee reported as follows:

1. Conversion (clean and Ramseyer) of rules were approved and takes effect on April 27, 1981.
2. Letter from Arthur Reinwald requesting to appear before the Commission regarding this matter.

The Commission has reconsidered and will request a second Attorney General's opinion on this matter.

3. Letter from James W. Tharp regarding Act 180 which the Commission determined that Tharp's advice to clients that the name of a real estate broker must be provided is correct and in compliance with the provisions of Section 514A-192(6), H.R.S. Tharp is to be advised that the Commission is also not aware

of making any representation or providing any advice which differs from or is contrary to the terms of the section.

Memo re: Preparation of Amendments to Rules Relating to Real Estate Brokers and Salesmen, Title 16, Chapter 99

By memorandum dated April 23, 1981, Dick Okaji, Licensing Administrator, outlined the guidelines for hiring an attorney on a consultant basis to complete drafting the amendments to the rules.

After considerable discussion whether the use of education fund for this purpose is acceptable, it was suggested that Commission get clarification on this matter from the Department. In the meantime, Glenn Adachi will be requested to proceed on the drafting of the rules.

Memo re: Condominium Consultant

A memorandum regarding the raising of condominium consultant's fee was brought up. The initial fee was established in 1973.

Following discussion, John Urner moved and Ralph Yagi seconded to raise the condominium consultant's fee from \$160 to \$350 to take effect upon Director's approval. Motion carried unanimously.

The Commissioners were in agreement that the selection of consultants should be subject to Commission's approval and that the list of consultants should be annually reviewed by the Commission.

Franchising - "Better Homes and Gardens"

As requested, Edwin Shiroma moved and Tadayoshi Ishizu seconded to add the matter of franchising to the agenda. Motion carried unanimously.

Letter from Jeff Grad

By letter dated April 10, Jeff Grad inquired as to what documents, if any, are required to be filed with the Commission for his client, Stapleton Associates, Ltd., recent affiliation with a franchisor.

Letter from Doris Smith, pb, Smith Properties, Inc.

By letter dated April 14, Doris Smith informed of the added name of Better Homes and Gardens to all advertising and printed materials of her corporate name.

After discussion, Commission decided that the use of the franchisor's name, Better Homes and Gardens, in the advertising and printed materials is prohibited unless the name is properly registered with the Commission. They must comply with Rule 1.11.

Business Out  
of Minutes:

Questionable Applications

Donald W. Salter

Jocelyn Sue Bender

Barbara P. Champion

Galicano M. Luansing, Jr.

Howard T. Rhoades

Mary C. Bain

Paul S. Lehman

Jill E. Frierson

Edward Shiroma moved and Tadayoshi Ishizu seconded to add the following names to the list of questionable applications:

Sylve Ann Montalbo

Rai St. Chu

Richard Turbin

Dean Fukumoto

Kathryn Thuet

Ralph Yagi abstained on the matters of Rai St. Chu and Richard Turbin for possible conflict of interest.

The above applicants appeared separately, waived their rights to formal hearings in

lieu of the informal conferences to discuss their applications.

Following discussion, Joseph Blanco moved and John Urner seconded to approve all the above applications for real estate salesman/broker licenses. Motion carried unanimously.

Wallace T. Patch

Executive Session:

At 11:10 am., Edwin Shiroma moved and Joseph Blanco seconded to go into executive session to discuss this matter. Motion carried unanimously.

Out of Executive Session:

At 11:18 a.m., Edwin Shiroma moved and Ralph Yagi seconded to move out of executive session and go into regular session. Motion carried unanimously.

At the March meeting, Commission decided to request Attorney General's opinion on this matter. Subsequently, memo from Licensing Administrator suggested that Commission withhold the request for an opinion until such time as we hear from the California Real Estate Commission as to what action they have taken against Patch.

Following discussion, Ralph Yagi moved and Toru Kawakami seconded to approve the name of broker's business name from Wallace Patch to Patchwork Realty. Motion carried.

Tadayoshi Ishizu abstained on this matter for possible conflict of interest.

Hawaii-Nevada Investment Corporation

Executive Secretary reported that he has written to the Attorney General with cc's to the Director and Governor regarding Commission's concern on this matter and requesting guidance as to what course of action to pursue.

Copies of the letter to be made available to the Commission members.

Investigations:

Ralph Yagi moved and Joseph Blanco seconded to accept the recommendations of Complaint Review Committee for the following cases:

Minutes of Meeting of April 24, 1981

RE-81-3 Eugene R. Furr, pb of Financial Center Realty

Further request be made of investigator to:

1. Contact Eugene Furr and request explanation of why the transaction was considered incomplete as stated in his letter of March 2, 1981.
2. Contact escrow company and request explanation of:
  - a. why they opened escrow (if contract was incomplete as Furr alleged) and who opened the escrow.
  - b. why escrow company allowed cancellation of escrow (if contract was complete).

RE-80-147 Marianne Abrigo, Mike McCormack Realtors

1. Name of attorney who drafted the agreement of sale;
2. Who ordered the agreement of sale;
3. Who is the owner of the escrow company (Escrow, Inc., Aiea);
4. What escrow company did in fact handle the escrow and the owners of that company;
5. Ask Seller where she received her guidance for the terms of the sale, especially her tax advice;
6. If possible, when was condition 5 put in and who wrote the condition in;
7. Where did Seller get her information as to the possible violations and who helped her write her letter; and
8. Further facts to substantiate possible fraud charges.

RE-80-66 Anthony S. Carvalho, Anthony S. Carvalho Realty

Dismiss complaint on the basis that the investigation indicates that no violation of our real estate license law or Commission's rules was committed by Respondent.

RE-77-129 Harold L. Fuller, Sr.

To hold hearing against Harold L. Fuller, Sr. for possible violation of §467-14(1), (2), (3), (7), (8), H.R.S. and Section 1.3(a), (b), (d), (f), Real Estate Commission's rules in that Respondent while representing complainant in a series of transaction violated the above sections.

Motion carried unanimously.

New Business:

LICENSING

Corporation

Blue Water Properties Kauai, Inc. - Princeville  
Shp Ctr, Bldg C, #A & B, Hanalei  
William C. Street, pb

Daumit Properties, Incorporated - Kamuela Off.  
Ctr Bldg 3, Off #7, Kamuela  
Edward W. Daumit, pb

Enterprise I, Inc. dba Realty Collaborative -  
926 Bethel St., Honolulu  
James Callan, pb

JMF, Inc. - 735 Bishop St., Ste 327, Hon.  
Michiyo Fogarty, pb

Kapalua Realty, Ltd. - 119 Bay Dr., Kapalua, HI  
Carmie R. Richeson, pb

Mandarin Realty Corporation - 1015 Bishop St.  
Ste 460, Honolulu  
John Veltri, pb

MDR Development Company - 828 Front St.,  
Karon Anglin, pb Lahaina

Miller-Hee Realty, Inc. - 50 So. Beretania St.  
Beverly Miller, pb C-119, Hon.

Romanchak & Company, Inc. - 841 Bishop St.,  
Fred A. Romanchak, pb Ste 1402, Hon.

J. M. Schmidt and Associates, Incorporated -  
225 Queen St., Ste 26F, Hon.  
Jack M. Schmidt, Jr., pb

Toulon Realty, Inc. - P. O. Box 666, Koloa  
Alfred J. Toulon, pb

Worthy Investments, Inc. - 700 Bishop St.,  
Carl P. Worthy, pb Ste 412, Hon.



Partnership

First Hawaiian Properties - 915 Fort St.,  
Gordon R. Nash, pb 11th Flr, Hon.

Ralph Yagi moved and Tadayoshi Ishizu seconded to ratify the action of the staff in approving the applications for corporate and partnership licenses. Motion carried unanimously.

Branch Office

Professional Realty Co. - 75-5868 Alii Dr.,  
Pat Crowe, bic Kailua-Kona

Real Estate Works Hawaii, Inc. - 75-5707 B  
Alii Dr., Kailua-Kona  
Steve C. Wilcox, bic

Upon motion by Joseph Blanco, seconded by Ralph Yagi, the Commission unanimously ratified the staff's action in approving the branch office licenses.

Tradenname

Frank Bennett Realty - Frank H. Bennett, dba

Cay Cox - Cathryn G. Cox, dba

Rick Friedlander Realty - Richard A.  
Friedlander, dba

Greg Gadd Real Estate - Gregory G. Gadd, dba

GM Properties - Howard Meskin, dba

Harris Realty - William B. Harris, dba

Corporation Name Change

Rich Jackson, Inc. - formerly Rich Jackson  
Realty, Inc.

Robbins Realty, Inc. - formerly Shaunagh G.  
Robbins Realty, Inc.

Waikiki Rez-Comm, Inc. - formerly Waikiki  
Residentials, Inc.

Upon motion by Ralph Yagi, seconded by Tadayoshi Ishizu, the Commission unanimously

ratified the staff's action in approving the applications for tradenames and corporation name changes.

Restorations - past 2 years

Mary M. Kaonohi

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

Eric M. Miura

Ralph Yagi moved and Tadayoshi Ishizu seconded to approve restoration of Eric Miura's real estate salesman license.  
Ayes: Ralph Yagi, Tadayoshi Ishizu, Edwin Shiroma, John Urner and Toru Kawakami  
Nay: Joseph Blanco  
Motion carried.

George K. Shimamura

Joseph Blanco moved and Ralph Yagi seconded to deny restoration of George Shimamura's real estate salesman license. Motion carried unanimously.

Roy K. Tamaru

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

Jean T. Weaver

Joseph Blanco moved and Ralph Yagi seconded to deny restoration of Jean Weaver's real estate salesman license. Motion carried unanimously.

Jack B. Rogers

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

Ralph Yagi moved and Tadayoshi Ishizu seconded to approve restoration of Jack Rogers' real estate salesman license. Motion carried unanimously.

Miscellaneous:

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

Memorandum from Roy Nolan, Conference Chairman, was distributed to the representatives attending this meeting.

NARELLO Western District Meeting, 1982 - Honolulu

In anticipation for the June 1982 Western District meeting in Honolulu, Chairman Morris announced that he has received a proposal from Norman Lee of Beachcombers Tours. They have put a package together that will facilitate handling of registration, hotel reservations, etc. so that the Commission staff need not get involved.

After discussion, it was suggested that the Commission get 1 or 2 additional proposals before making any determination. The Oahu members will meet on this matter and report back at the next Commission's meeting.

Legislation:

Chairman Morris reported the following Resolutions which were adopted:

1. H.R. #144 - Requesting the Real Estate Commission to submit a report on the status of Act 189
2. S.R. #330 - Commending John M. Urner for his contribution and services to the real estate industry

Chairman Morris also reported on the following two matters:

1. New members appointed to the Commission are Gloria Damron, an industry member, and Constance Smales, a public member.

2. Two bills passed -

H. B. No. 1736 - Relating to Real Estate Examination

S.B. No. 67 - Time Sharing Bill

Both bills to take effect January 1, 1982.

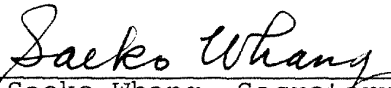
Date of Next Meeting:

May 29, 1981, 9:00 a.m.  
Board Room


Adjournment:

There being no other business to transact, the meeting was adjourned at 2:00 p.m.

Taken and recorded by:

  
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Saeko Whang, Secretary

APPROVED:

  
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GEORGE M. ARINE  
Executive Secretary