

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

MINUTES OF MEETING

Date: Friday, June 19, 1981

Place: Exam/Conference Room, Kamamalu Building
1010 Richards Street, Honolulu, Hawaii

Present: G. A. "Red" Morris, Chairman
Edwin H. Shiroma, Vice Chairman
Joseph F. Blanco, Member
Gloria J. Damron, Member
Tadayoshi Ishizu, Member
Toru Kawakami, Member
Constance B. Smales, Member
Gregg T. Yamanaka, Member

Sandy Holck, Real Estate Education Specialist
Dick H. Okaji, Licensing Administrator
Glenn M. Adachi, Acting Executive Secretary

William R. Wood of WRW, Inc.
Bernard L. Baker, applicant for real estate
salesman license
Ernie Dias, appearing on behalf of salesman license
of Allene K. Richardson
Allene K. Richardson, applicant for real estate
salesman license
Catherine V. Sinclair, applicant for real estate
salesman license
Cranston Kapoi, applicant for real estate salesman
license
Paige Vitousek, Vitousek Real Estate Schools
John Reilly, Attorney
Mary Shern, Jones/Spalding & Mary Shern School of
Real Estate

Absent: Ralph S. Yagi, Member

Call to Order: Edwin Shiroma, Vice Chairman called the meeting
to order at 9:15 a.m.

The Executive Secretary apprised the Commission
that the agenda for today's meeting was duly
filed on Tuesday, June 16, 1981 at the Lt.
Governor's office in compliance with the Sunshine
Law.

Introduction of
New Members: Edwin Shiroma introduced the new members, Gloria
Damron and Constance Smales, to the Commission.

Minutes:

Tadayoshi Ishizu moved and Constance Smales seconded to approve the minutes of the May 29, meeting as circulated. Motion carried unanimously.

Committee Reports:

Real Estate Education Advisory Council

Real Estate Education Specialist Report

Sandy Holck distributed copies of memo re: Real Estate Education Program. The memo is for discussion purposes and is not the final recommendation of the Committee.

It was suggested that all Commissioners attend the next Education Advisory Committee to discuss the memo, the short and long term objectives of the education program and provide additional suggestions. The meeting is scheduled for the afternoon of July 30.

Real Estate Seminar

Sandy Holck informed the Commission that the next seminar and workshop is scheduled for October 1981.

Real Estate News Bulletin

Bill Wood distributed copies of the material for the next bulletin. Edwin Shiroma suggested that in the future, a sample of the layout of the bulletin be provided the Commissioners.

Real Estate Chair

Dean David Bess informed the Commission that Dr. Wofford, a previous chairholder, will arrive in Honolulu around the middle of August and that Dr. Haney will be doing research in Honolulu for another month.

Special December Examination

Edwin Shiroma moved to place the special December examination on the agenda for discussion. The motion was seconded by Toru Kawakami and unanimously carried.

The Commission was informed that the extra exam will be scheduled on December 19, 1981, the national test date set by ETS. It was brought up that some of the real estate schools may not complete the course within

the previously established deadline. Dick Okaji stated that the problem can be handled administratively. Sandy Holck will coordinate the extra exam with the real estate schools.

Sandy Holck brought to the Commission's attention a letter received from ETS regarding the selection of a committee to prepare examination questions. The following people were mentioned as possible members:

Herbert Isonaga
Jack Palk
John Urner
Mary Savio
Charles Pear

The examination review committee will meet the weekend of August 19, 1981 for 2 full days. Mr. Holck informed ETS of the Commission's December 19 test date for the extra exam.

Gloria Damron suggested that the Commissioners should have input in the examination process since they are aware of the problem areas. Mrs. Damron suggested that a list of violations be compiled for review by the Commission for possible exam questions.

It was suggested that ETS provide on the test score ticket the deadline date for license application and an explanation of the options available to examinees, i.e., inactive or active status.

There was discussion among the Commissioners and Paige Vitousek, John Reilly and Mary Shern, representing the real estate schools. It appears that there was a lack of communication between the Commission and the schools as to the extra exam for 1981 and the revision of the exam schedule for 1982. The representatives were concerned because they may not be able to meet the 40-day deadline for the December exam and to gear up in time for the February 1982 exam. The dates for the 1982 exams were verbally given to the schools.

RELE Executive Committee Meeting

Joseph Blanco informed the Commission that he will be attending the RELE Executive

Committee in Chicago in July as representative of the district of which Hawaii is a member. He also requested Commission's approval for a trip to Kentucky to investigate their real estate center as a possible model for the Commission to use. The Commissioners suggested that Mr. Blanco make the following inquiries:

1. Selection process for the chairholder and the requirements.
2. Justification of 336 hour educational requirement for brokers.
3. Organization and operation of investigation section.

Upon motion made by Gregg Yamanaka, seconded by Toru Kawakami and unanimously carried, it was decided that Joseph Blanco stop over in Kentucky to observe their real estate center and report to the Commission.

Laws and Rules Committee Report

Toru Kawakami reported on the meeting held by the Rules Committee on June 19, 1981. The Committee continued its review of the rules from the previous meeting. Additional changes were proposed which the Executive Secretary will attempt to have ready by the next meeting.

Condominium Consultants

The Rules Committee discussed the present condominium consultants and the procedures used in review of projects submitted for approval by the Commission. The Committee recommended that an ad hoc committee be created to set guidelines and criteria for review of the work done by the consultants and that the work of the present consultants be evaluated accordingly.

Toru Kawakami moved to accept the recommendation of the Committee for condominium consultants and that Gregg Yamanaka chair the committee. The motion was seconded by Tadayoshi Ishizu and unanimously approved.

A motion was made by Gregg Yamanaka that no new condominium consultant contracts be entered into pending the review by the ad hoc committee. The motion was seconded by Toru Kawakami and approved by an unanimous vote.

It was suggested that interim guidelines be established pending the ad hoc committee's review and findings. Gregg Yamanaka moved that all condominium document review assignments commencing immediately be conducted on an alphabetical rotational basis and that a record be kept of the number of times a consultant refuses an assignment. Joseph Blanco seconded the motion and the Commissioners voted unanimously for approval.

Condominium Registration Clerk

Inquiry was made as to the condominium clerk's position being placed under Licensing Administrator Dick Okaji. The matter will be discussed later with department officials.

Diamond Head Beach

Donald Ching apprised the Commission of the department's problem with Diamond Head Beach. It appears that certain neighboring owners are complaining about various aspects of the project in an attempt to halt the project.

Personal Corporations

The issue of personal corporations for licensees was discussed. Dick Okaji requested that his proposal be withdrawn and that Donald Ching, Glenn Adachi and himself will discuss drafting an amendment to allow personal corporations.

Dick Okaji stated that he will prepare for the next meeting the draft of the amendment to implement Act 23.

Executive Session: Tadayoshi Ishizu moved that the Commission go into executive session to discuss the Commission staff with Donald Ching. The motion was seconded by Joseph Blanco and unanimously carried.

Out of Executive Session: Joseph Blanco moved to reconvene the meeting in regular session. Tadayoshi Ishizu seconded the motion and it was unanimously carried.

Business Out of Minutes:

Questionable Applications

The Commission held informal conferences with the questionable applicants.

Joseph Blanco moved that the following questionable applications be approved:

Allene K. Richardson
Jan & Lyn Weber
Catherine V. Sinclair
Maureen Dreher

Tadayoshi Ishizu seconded the motion and the Commission unanimously approved the motion.

The application of Bernard L. Baker was discussed by the Commission. A motion was made by Gregg Yamanaka and seconded by Gloria Damron to approve Mr. Baker's application. By a vote of Ayes - 8 and Nos - 2, the motion was carried. Constance Smales and Joseph Blanco voted against the motion.

Investigations:

The Commission reviewed the Complaints Review Committee's recommendations. (Copy of the recommendations are attached to the minutes and made a part hereof.)

Joseph Blanco moved to accept the Complaints Review Committee's recommendations in Cases RE-81-35, RE-81-51, RE-81-50, RE-81-80, RE-80-109, RE-81-83, RE-80-140 and RE-80-148. The motion was seconded by Toru Kawakami and unanimously carried.

RE-81-86 Stanley J. Michaels

Gregg Yamanaka moved that a letter of warning be sent to the Respondent and that the case be discussed further at the next Rules Committee meeting. The motion was seconded by Constance Smales and unanimously approved. It was suggested that the next News Bulletin apprise the licensees that rental advertisements must comply with the rules.

RE-81-34 E. L. Christensen dba Island Homes and Ray Berg

It was pointed out that a rental is treated like a sales in the eyes of the Commission and, therefore, the rules apply. There was disagreement on the course of action the Commission should approve. Gregg Yamanaka was of the opinion that on a case where the Commission determines

a rule may have been violated, the case should be sent for hearing. Other Commissioners felt that a letter of reprimand from the Commission would be sufficient. The Commissioners cited among other reasons the present backlog of cases and the respect a letter from the Commission carried.

The Commissioners also felt that the cases should be used as the basis for articles in the News Bulletin.

Gloria Damron moved to accept the recommendation of the Complaints Review Committee and to include the letter of reprimand the responsibility of the broker for accounting of client's funds. The motion was seconded by Joseph Blanco and carried by a vote of 8-Yes and 1-No. Gregg Yamanaka voting against the motion. It was suggested that News Bulletin apprise the licensees that all rental management contracts should be in writing.

It was suggested that a log of pending cases be prepared for the Commission for review at the Complaints Review Committee meeting.

Call to Order:

The afternoon session was called to order by C. A. "Red" Morris at 1:45 p.m.

New Business:

LICENSING

Corporation

Appreciable Services, Inc. - 1960 S. King St.,
Suite 6, Honolulu

Susan K. Wakukawa, pb

Cale Carson Associates, Inc. - 225 Queen St.,
Cale Carson, pb #16, Hon.

Colony West of Hawaii, Ltd. - 2003 Kalia Road
Suite 17-A, Hon.

Carroll F. Strom, pb

HK Realty, Inc. - 3371 Wilcox Road, Nawiliwili
Wayne R. Ellis, pb

Key West Realty, Inc. - 444 Hobron Lane,
Wayne M. Yoshioka, pb Ste 215, Hon.

Jaymark Komer, Inc. - 1905 S. King St., Ste 1866
Jaymark Komer, pb Hon.

Pandanus, Inc. - 250 Ward Avenue, Room 233, Hon.
Ayako Yuruki, pb

Portwood Realty, Inc. - 75-5706 Hanama Place,
#205, Kailua-Kona
Nancy Ann Portwood, pb

Walden, Inc. - 25 Kaneohe Bay Drive, Kaneohe
William A. Walden, pb

Edwin Shiroma moved to ratify the list of new corporations except Pandanus, Inc. The motion was seconded by Gregg Yamanaka and unanimously approved by the Commission.

The ratification for Pandanus was withheld pending a check to determine whether disciplinary action had been taken against the principal broker.

Edwin Shiroma moved to add the application of Stapleton and Associates/Better Homes and Gardens to the agenda. The motion was seconded by Joseph Blanco and unanimously carried.

It appears that the application was submitted about two months ago and was misplaced. To expedite the matter, it was suggested to give conditional approval subject to the necessary clearance being obtained from Business Registration and Licensing.

Edwin Shiroma moved to ratify the name of Stapleton and Associates/Better Homes and Gardens subject to verification of clearance from Business Registration Division and approval of the licensing section.

Branch Office and Tradenames

Ricardo Nabarrete dba Rick Nabarrete Realty --
1125 So. King St., Rm 291, Hon.
Judith Ventura, bic

Aileen's Realty - Aileen Wada dba

Central Realty - Hedeaki Mizushima dba

City Realty Company - Hawaii Property Investment Corp dba

ERA Bob Tanaka - Bob Tanaka Inc. dba

Hawaiian Profit Realty - Sanford Okura dba

Makai Properties - Bob Keown, Ltd dba

Kelsey Sears Realty - Kelsey S. Sears dba

Shinwa Realty - Margie K. Fukunaga dba

R. M. Takeuchi Realty - Robert M. Takeuchi dba

Hakaru Taoka Realty - Hakaru Taoka dba

Edwin Shiroma moved to ratify the branch office and tradename applications on the agenda. The motion was seconded by Tadayoshi Ishizu and unanimously carried.

Corporate Name Change

Ellis & Ellis Associates, Inc. - formerly Investment Seminars, Inc.

Haseko Realty, Inc. - formerly Hasten Realty, Inc.

Edwin Shiroma moved to ratify the corporate name change applications. The motion was seconded by Tadayoshi Ishizu and unanimously carried.

Restorations

The Executive Secretary will ask Renee Yuen to submit a letter of explanation since her request for restoration is over two years from the date of forfeiture.

Joseph Blanco excused himself from the discussion of the application of Barney Menor.

The Executive Secretary read the letter attached to the application of Barney Menor. After discussion, the Commission moved to approve the restoration of Mr. Menor's license to inactive status. The motion was seconded by Toru Kawakami and unanimously approved by the Commission.

The Commission discussed the application of Cranston Kapoi who had appeared in support

of his restoration. The Commission was concerned because Mr. Kapoi may have been engaging in real estate activity while his license was forfeited.

Edwin Shiroma moved to waive the education requirement for one time and allow Mr. Kapoi to take the next real estate exam and to issue a salesman license if Mr. Kapoi passes the exam. The motion was seconded by Toru Kawakami and unanimously approved.

Questionable Application

Joseph Blanco moved to go into executive session to discuss the application of Michael Lee since it involved a reply to item 8 of application for license. Tadayoshi Ishizu seconded the motion and it was unanimously approved by the Commission.

Edwin Shiroma moved to come out of executive session. The motion was seconded by Joseph Blanco and unanimously approved.

Edwin Shiroma moved to request more information on Item 8. The motion was seconded by Joseph Blanco and unanimously approved.

Miscellaneous:

Request for Exemption from Part VI of Chapter 514A, HRS

The Commission discussed the above request from James K. Oshiro. Based on Mr. Oshiro's representation that there would be no sales, it appeared that no Commission's action was necessary since Part VI would not apply.

Principal Broker as Independent Contractor

The Commission reviewed the letter of John Smart requesting an opinion on the question of whether a principal broker for corporation can be an independent contractor. Edwin Shiroma moved to refer request to Attorney General's office for an opinion since it called for a legal interpretation of the status. The motion was seconded by Toru Kawakami and carried unanimously.

Workshop Retreat

The Commission discussed the possibility of conducting a workshop over a two-day period

to discuss the policies and objectives of the Commission. The Commission were in favor of the idea and will discuss the matter further at the next meeting.

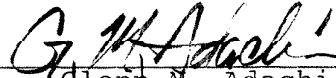
Date of Next Meeting:

July 31, 1981
Board Room, 1010 Richards Street, Honolulu

Adjournment:

There being no further business, the meeting was adjourned at 3:45 p.m.

Taken and recorded by:



Glenn M. Adachi
Acting Executive Secretary

SW

7/20/81