

REAL ESTATE COMMISSION
Professional & Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

Date: Friday, October 22, 1982

Place: Conference Room, 3rd Floor, Kamamalu Building
1010 Richards Street, Honolulu, Hawaii

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

Russel S. Nagata, Complaints Officer
Mary G. F. Bitterman, Director
Virginia Lea Crandall, Hearings Officer
Janice B. Sevilla, Education Officer
Cynthia T. Alm, Information Officer
Glenn M. Adachi, Executive Secretary
Saeko Whang, Secretary

Prof. Jerome Dasso, Present Chairholder
William R. Wood, WRW, Inc.
Nancy Battaile, Legislative Analyst, Legislative
Auditor's Office
Benjamin Kudo, Attorney, representing Maunalani
Resorts
Allen Goda, Attorney, representing Maunalani Resorts

Absent: Edwin H. Shiroma, Vice Chairman
Ralph S. Yagi, Member

Call to Order: There being a quorum, the meeting was called
to order by Chairman G. A. "Red" Morris at
9:35 a.m.

The agenda for today's meeting was filed on
Monday, October 18, 1982 at the Lt. Governor's
office in compliance with the Sunshine Law.

Minutes: Upon motion by Joseph Blanco, seconded by Gloria
Damron, Commission unanimously approved the
minutes of September 24, 1982.

Committee Reports: Real Estate Education Committee

Constance Smales moved and Gloria Damron seconded
to adopt the minutes of the Education Committee
meeting held on October 13, 1982. Motion
carried unanimously.

Licensee Survey

Joseph Blanco reported that he received the report from Larry Wofford but there were no conclusions. Wofford will be requested to put some conclusions on the report.

Complaints Survey and Home Buyers/Escrow Survey

Constance Smales moved and Gloria Damron seconded to award the research task to SMS. The bids were as follows:

Survey of home buyers	\$4,340
Survey of escrow officers	2,516
Analytical reports	1,009

Motion carried unanimously.

U.H. Chairholder

Commission needs to develop set of priorities on policies in regards to research topics and to take two other topics which would be of importance in selecting the next chairholder.

1. Issue list of topics
2. Establishment of research center
3. How to handle inactive real estate licensees?
4. Making a list of legal issues facing the Commission
5. Forming a Real Estate Division

Names for Advisory Committee

The following names were suggested for the Advisory Committee for College of Business Administration:

Tan Tek Lum
Jack Palk
Sheridan Ing
Andres A. Albano, Jr.
Robert Holman

Education Officer's Report

Janice Sevilla circulated and reported on her activities for October.

Real Estate Articles for Sunday Paper

The real estate articles will be published in the Sunday papers depending on space availability.

Joseph Blanco moved and Constance Smales seconded to authorize the Executive Secretary to approve the itcms before being published. Motion carried unanimously.

Rules and Regulations for Real Estate Schools

Cynthia Alm, who is working on the rules for real estate schools, asked the Commission for guidance concerning the certification of real estate schools and instructors.

After a lengthy discussion, Constance Smales moved and Joseph Blanco seconded to allow Cynthia to proceed with a proposed draft for discussion at the next Education Committee meeting which can then go into the Rules Committee meeting.

Investigations:

Investigation Process

Upon motion by Joseph Blanco, seconded by Toru Kawakami, the matter of the investigation process was added to the agenda. Motion carried unanimously.

Russel Nagata, Complaints Officer from RICO, came to inform the Commissioners that from November 8, 1982 all real estate complaints will go directly to his office for logging. RICO will basically follow the same guidelines that the Executive Secretary and RICO had worked out (green memo procedures) to close out cases in the investigation stage if they fall within these criteria. If a hearing is to take place, the matter will go directly to his legal staff.

Nagata added that he will keep the Commission informed by means of status report as to types of violation and dispositions.

A lengthy discussion ensued regarding who has the final decision on a case and can the Commission rehear the case.

Minutes of Meeting of October 22, 1982

Joseph Blanco moved and Gloria Damron seconded to accept the Executive Secretary's recommendations dated October 20, 1982 with the exception of RE-82-44 Robert Cartwright. This case be dismissed with a letter of warning regarding making representations. Motion carried unanimously.

RE-81-192 Continental Realty Ltd., Philip N. Minn

Refer to RICO for hearing for alleged violations of §467-14(1), (7), (8) and (14), H.R.S. and for Rules §16-99-3(a), (b), (f), (s) and §16-99-4(c) and (d).

RE-82-19 Eulalio W. Alpuerto

This case be referred to RICO for alleged violations of §467-14(8) and Rule §16-99-3(b), (c) and (h).

RE-82-42 Clarence M. Okura

This case be referred to RICO for alleged violations of §467-14(1), (2), (6), (7), and (8), H.R.S. and for Rule §16-99-3(b), (f), (g) and (n).

RE-82-44 Robert Cartwright

Dismiss with a letter of warning.

RE-82-46 Floyd Loving dba Century 21 Floyd Loving Realty, Melvyn Kwon, Floyd Loving, Jr.

Refer to RICO for alleged violations of §467-14(1), (2), and (8), H.R.S. and Rule §16-99-3(a), (b), (c), (e), (g) and (s).

RE-82-52 Mike McCormack Realtors, Rock B. Ley and Ernest Tamashiro

Refer to RICO for alleged violation of §467-14(8) H.R.S. and Rule §16-99-3(b) and (k).

RE-82-79 Island Resort Management, Inc., Jon C. Rich, Thomas F. Schmidt dba Tom Schmidt Realtors and Linda Kurosawa

Refer to RICO for alleged violation set forth in investigation report.

RE-80-97 Transcott Investments, Inc. and
Scott Timberlake

This case be referred to RICO for alleged
violation of Rule §16-99-3(c).

New Business:

LICENSING

Corporations

Baptista, Incorporated - 2153 No. King St.
Angeles D. Baptista, pb Rm 325, Hon.

Beekman Properties, Limited - 733 Bishop St.
Paula G. Wong, pb Ste 2260, Hon.

CPM Associates, Inc. dba CPM Realty - 33 Lono
Ave., Ste 260, Kahului
Charles P. McClelland, pb

CRI Management, Inc. - 1045 Mapunapuna St.
Norman Noguchi, pb Hon.

The Clients Development Corporation - 700
Bishop St., Ste 1004, Hon.
Joseph J. Mastrantonio, pb

Hawaiian Eye Realty, Ltd. - 75-5744 Alii Dr.,
Ste 237, Kailua-Kona
Earl J. Younker, pb

Hoomahana (Vacations), Inc. - 333 So. Queen St.
Eugene Paoa, pb Ste 200, Hon.

Hunter Group Hawaii, Ltd. dba American Business
Brokers - 677 Ala Moana, Ste 1005, Hon.
Jeannie T. Salmon, pb

Melvin Realty, Inc. - 1188 Bishop St., Ste 2812
George H. Melvin, pb Hon.

Pacific Landmark Realty, Inc. - 1188 Bishop St.
Non G. Tjan, pb Ste 3507, Hon.

Pan Asia Development Ltd. dba Pan Asia Realty -
2334 So. King St., Ste P, Hon.
Shing Tak Lam, pb

Leticia Query Realty, Inc. - 1051 Keolu Dr.
Leticia Query, pb Ste 103, Kailua

Sundowner Ticket Agency, Inc. - 444 Hobron Lane
Joan W. Oren, pb #417, Hon.

United Combine, Ltd. - 224 Merchant St., Hon.
David P. Huffman, pb

Winslow, Ltd. - 1188 Bishop St., Ste 1310, Hon.
George E. Kempf, pb

Tradename

Connors Associates - Donald Roy Connors, dba

First Invest Hawaii - Gaynell Daugherty, dba

South Kohala Management & Brokerage Co. -
Thomas E. Hagen, dba

Valley Real Estate Company - Albert Valley, dba

G. L. Wells & Associates - Gary L. Wells, dba

Corporation Name Change

Oahu Properties, Inc. - formerly Tollefson
Associates, Inc.

DBA Name Change

Project Management & Development Corp. dba
Sands of Kahana Realty - formerly dba
PM & Realty

Upon motion by Joseph Blanco, seconded by
Constance Smales, Commission unanimously
ratified staff's action in approving the
above applications.

Constance Smales moved and Joseph Blanco
seconded to request for a policy statement
on what role the Commission takes in regards
to licensing. Motion carried unanimously.

Request for Education and Experience Waivers
for Broker Examinations

Randall Enright

Joseph Blanco moved and Toru Kawakami moved
to deny Randall Enright's request for
waiver inasmuch as he did not have the
10 real estate transactions. Motion carried
unanimously.

David J. Martinson

Gregg Yamanaka moved and Joseph Blanco
seconded to deny David Martinson's request

for waiver of his experience on the basis that he does not qualify under any of the waiver categories set forth in the Commission's rules. Motion carried unanimously.

Miscellaneous:

Appointment of Hearings Officer

Commission interviewed Virginia L. Crandall as Hearings Officer. Joseph Blanco moved and Constance Smales seconded to appoint Virginia Crandall as Hearings Officer to hear real estate cases. Motion carried unanimously.

Financial Audit of the Department of Commerce and Consumer Affairs

At the request of the Commission, Mary Bitterman, Director, came to explain her response dated April 22, 1982 to the Legislative Audit on the financial records of the department. The Commission expressed its concern in the areas of excess revenue and renewal for the next two years.

Timeshare Meeting in San Francisco

Chairman Morris announced that Louanne Kam may represent Hawaii at the NARELLO Timesharing Conference in San Francisco. The funding will be borne by the national NARELLO.

Request to Allow Letter of Credit from Out-of-State or Foreign Country Bank

Benjamin Kudo and Allen Goda of Kobayashi, Watanabe, Sugita & Kawashima, representing the developer of Maunalani Resorts project came before the Commission to discuss and request that the Commission accept a letter of credit in lieu of a performance bond.

Chairman Morris excused himself from the meeting on this matter for possible conflict of interest. Joseph Blanco presided over this matter.

Rule §16-107-9 provides that a letter of credit from a federally insured lending institution authorized by the bank examination division may be accepted in lieu of a performance bond.

After a lengthy discussion, Gloria Damron moved and Gregg Yamanaka seconded to deny the request to accept a letter of credit. Motion carried unanimously.

The request was denied because:

1. Mitsubishi Bank of California was not authorized by the Bank Examination Division and Bank of Tokyo is not federally insured and authorized by the Bank Examination Division.
2. Construction bond appeared to provide better security to purchasers rather than a letter of credit.
3. The Commission was concerned with the enforcement of the letter of credit and the supervision of the completion of the project.

1983 Commission Meeting Dates

Upon motion by Gregg Yamanaka and seconded by Joseph Blanco, Commission unanimously approved the 1983 Commission meeting dates for 1983 as circulated.

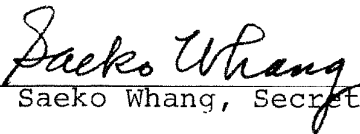
Date of Next Meeting:

November 19, 1982
Conference Room, 3rd Flr

Adjournment:

There being no other business to transact, the meeting was adjourned at 12:45 p.m.

Taken and recorded by:



 Saeko Whang, Secretary

APPROVED:



 GLENN M. ADACHI
 Executive Secretary