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

MINUTES OF MEETING

Date: Thursday, September 27, 1973

Place: Board Room, Department of Regulatory Agencies
1010 Richards Street, Honolulu, Hawaii

Present: Douglas R. Sodetani, Chairman
Herbert S. Isonaga, Vice Chairman
Mrs. Mary Savio, Member
John D. Texeira, Member
Hiromu Yamanaka, Member
Louis Cannelora, Member
Ah Kau Young, Member

Dennis Chong, Deputy Attorney General
William Milks, Deputy Attorney General
Yukio Higuchi, Executive Secretary
Mrs. Peggy Lau, Stenographer

Dr. Edward Laitila, College of Business Administration, U.H.
James Conahan, Attorney for Bob Mueller
William Sullivan, Applicant for Broker License
Raymond Kam, John Rickard, Sales Managers - Interstate School of Real Estate
Real Estate Schools Association of Hawaii - John Stapleton, David Bartholomew, Kenneth Harris and Milton Motooka
Hau Hee, Applicant for Restoration of Broker License

Call to Order: There being a quorum, Chairman Sodetani called the meeting to order at 9:10 a.m.

Minutes: Ah Kau Young moved and John Texeira seconded that the minutes of the August 30, 1973 meeting be approved as circulated. Motion unanimously carried.

Hearing: William Patrick Sullivan, Applicant for Broker License

William Sullivan acknowledged having waived his right to 30 days notice prior to a hearing in order to meet with the Commission today. He has appealed the Commission's decision in the matter of denial of his request for waiver of the 2 years' experience required for broker applicants.

Sullivan informed the Commission that he did not understand the reason for denial of his request nor was he given any ruling. The Executive Secretary responded to his statement and recited the section of the law.

Dennis Chong, Deputy Attorney General, opened the question and answer period. Sullivan informed the Commissioners of his military experience related to real estate and of a GRI course he took.

Sullivan was advised that this matter would be taken under advisement and that the Commission would notify him of its decision.

After considerable discussion, Hiromu Yamanaka moved and Mary Savio seconded that Sullivan's application for real estate broker license be denied; however, he be given 2 months credit if he submits evidence of completion of the GRI course and that he be notified that the Commission suggests that he supplement his actual Hawaii experience with education, and if he feels that he has gained sufficient education, he may request for reconsideration near the expiration deadline. Motion carried.

Audience: Hau Hee, Applicant for Restoration of Broker License

Hau Hee, applicant for restoration of broker license, appeared before the Commission to request that the Commission reconsider its decision that he take and pass a special examination before his forfeited broker license can be restored.

He explained that he forfeited his license about 2½ years ago as there was a conflict of interest with his job. He further explained that since this no longer holds true, he can now apply for restoration of his broker license. He requested that the Commission restore his broker license without having to take any kind of examination.

It was discovered through the question and answer period that Hee's broker's experience has been nil for almost 5 years, and that he has not taken any real estate courses to update his knowledge of the new laws and rules.

The Chair advised Hee that this matter would be taken under advisement and he would be notified of the Commission's decision soon after.

After considerable discussion, Hiromu Yamanaka moved and Ah Kau Young seconded that Hee be given an alternative of either succuessfully completing an approved real estate brokers pre-licensing course or take and pass the short-form special exam. Motion unanimously carried.

James Conahan, Attorney for Bob Mueller Realty, Inc.

James Conahan, attorney for Bob Mueller, informed the Commissioners that Bob Mueller could not attend and that he would answer any questions in respect to his client.

At the close of the discussion, the Commissioners still did not clearly understand Bob Mueller's relationship with General Realty. James Conahan stated that he understood the theory, but, because he was unable to answer some specifics, he will have Mueller explain it more fully at the next meeting.

Raymond Kam, Principal of Interstate Properties School of Real Estate

The Commission granted Raymond Kam's written request for an informal conference on Interstate Properties School of Real Estate. Appearing with Kam were his two sales managers and John Rickard, head instructor. They explained their setup of offering a free tuition course in preparation for the real estate examination. Like any other school, it was noted that if one does not pass their examination, a certificate of completion would not be issued.

They further explained that their motive for offering a free course is because competition is keen in the real estate field, and they want to build a good sales force by training the students the right way for Interstate Properties. They stated that once one gets a real estate license after taking their course, one is not pressured or obligated to sign up with Interstate Properties.

The Commissioners questioned Kam about on-site job training, and if a student is required to bring two persons to their dinner presentation before a certificate of completion will be issued. In reply, Kam stated that they stopped this practice immediately upon receiving the Commission's cease and desist letter. Kam further added that his firm does not use unlicensed telephone solicitors.

The Chair remarked that the Commission was glad to learn that Interstate Properties School of Real Estate had ceased their on-site job training, and thanked Kam and his people for their frank discussion.

Committee Reports:

Real Estate Education Advisory Council

Committee Chairman Mary Savio reported that she met with the Executive Secretary to review applications for instructors certificate and other matters related to the Commission's real estate education program. The following matters were reviewed and their recommendations are as follows:

Certification of Instructors

John N. Phelps (Stark School of Real Estate)

Recommend certification as salesman instructor, subject to applicant submitting copy of broker's license, documentary evidence of 3 years full-time real estate experience and copy of completion certificate for approved real estate salesman or broker course.

Donald R. Olsen (Professional School of Real Estate)

Recommend certification as a salesman and broker instructor, subject to applicant submitting signed ethical statement and copy of Completion Certificate for an approved broker course.

Daniel Chadwick (Century 21 School of Real Estate)

Recommend certification as a salesman and broker instructor, subject to applicant submitting documentary evidence of 3 years full-time real estate experience.

Lawrence N. C. Ing (Maui Community College)

Recommend certification as a salesman and broker instructor.

Request of Mike McCormack School of Real Estate to Hold One Salesman Course at their Leeward Office

Recommend approval, provided, that D.O.E. approves the location and facilities.

Mary Savio moved and Louis Cannelora seconded that the recommendations of the Real Estate Advisory Council be approved. Motion carried.

Review of Equivalent Experience Policy or Guidelines

It was reported that Herbert Isonaga, Mary Savio and the Executive Secretary met to review equivalent experience policy or guidelines. They are following what California has, but are making definite changes. They have agreed that this is nothing to be rushed into, and they want this to be specific so that it can be administered easily.

The Executive Secretary was directed to send out to all the Commissioners what they have thus far for their thoughts and input.

Members of Real Estate Education Advisory Council

Mary Savio reported that she does not have a definite list of committee members, but she is thinking about Beverly Muir, Connie Solarana and Albert Feirer. Chair granted complete authority to Mary Savio to select the members. Mary Savio stated that she will have a definite list of members at the next meeting.

Condominium Review Committee

Committee Chairman Louis Cannelora reported that he will be coming up with suggested amendments to the condominum law and that lately his committee got off the track because of the time-sharing plan question. His committee plans to add another section to the law for the time-sharing plan.

Cannelora further added that by the end of the year, the committee will come up with rough drafts of bill for both Senate and House.

Rules and Regulations Committee

Committee Chairman Ah Kau Young reported that he has no rough draft, but he has met with the Executive Secretary and Red Morris and is now waiting for industry's input. Ah Kau Young was directed to get our draft prepared and to send it to industry so that they can evaluate from there.

Upon the request of the Executive Secretary, the Commission agreed to allow the committee more time to prepare a complete restructure of the rules and regulations.

Recovery Fund Report

The Executive Secretary reported that as of August 13, 1973 there is a total balance of $244,060.59 in the Real Estate Recovery Fund and a total balance of $29,806.53 in the Real Estate Educational Fund.

The Executive Secretary was directed to send copies of the recovery fund report to all Commissioners.

Attorney General's Report

No Attorney General's report as Clyde Sumida could not attend this meeting.

Business Out of Minutes:

Telephone Solicitors and Invitations to Dinner Presentations

The Executive Secretary reported on the following firms using telephone solicitors and offering dinner presentations:

World Marketing Hawaii, Ltd. (Desert Carmel)

An unlicensed person dials a number and when one answers, plays a tape recording of a licensed broker informing about Desert Carmel. (The tape was played for the Commissioners.) World Marketing Hawaii has given up this practice as people have just hung up after the recording comes on.

Herbert Isonaga moved and Mary Savio seconded that any telephone call from an unlicensed person pertaing to real estate sales is unacceptable. (Applies to foregoing practice of using tape recording of a licensed person.). Motion unanimously carried.

International Equities, Inc. (Calvada Valley & Calvada Springs)

International Equities, Inc. had an extension to phase out from using unlicensed telephone solicitors.

The Commissioners were in agreement that its motion of August 30, 1973 regarding unlicensed activity be adhered to effective immediately; and that there be a press release.

G.A.C. Properties, Inc. (Several subdivisions in Florida and Arizona)

G..A.C. Properties, Inc. had also requested for an extension to phase out. It was the unanimous decision of the Commission that no exceptions be made and they adhere to the Commission's ruling immediately.

Caribbean International of Hawaii

This firm is selling membership for a vacation club. For a certain fee you become a member of the association. This is not a licensed firm.

The Executive Secretary was directed to notify Consumer Protection of this hotel-type service as it has nothing to do with real estate.

Questionable Applications

George M. Yanagi dba Iao Realty

Ah Kau Young moved and Mary Savio seconded that because it was determined that George Yanagi has no sales staff, his application be approved. Motion carried.

Investigation: RE-535 Reed Realty, Inc.

Deferrment--material for a formal hearing not prepared.

RE-543 Pearl A. Nagatoshi

No further information--awaiting the Attorney General's review and comments.

Sheldon Soosman

Referred to the Attorney General's Office for review and comments.

RE-516 George Rodriquez

Investigation revealed that International Equities did hire an unlicensed person as a salesman.

Herbert Isonaga moved and John Texeira seconded that a warning letter be written to inform them that the Commission frowns upon this type of operation. Motion carried.

RE-520 Herbert K. Horita Realty, Inc.

Complainant, Mrs. Florence Kanayama, alleged that Herbert Horita Realty, Inc. failed to inform her of an electrical easement on her property at the time of purchase. The salesman handling the sale, Warren Akiona, claimed that he did point out the presence of the electrical easement.

Herbert Isonaga moved and John Texeira seconded that complainant be advised of Akiona's position and that the Commission has insufficient evidence to proceed further in the matter. Case dismissed. Motion carried.

RE-547 Durrel Robinson

Investigation revealed that the complaints alleged against Durrel Robinson holds true.

Herbert Isonaga moved and Hiromu Yamanaka seconded that Robinson receive a strong letter of reprimand for failure to list his real estate firm in ads and for representing that there was a house on the property. Motion carried.

RE-545 Joe Yamamura

The Executive Secretary was instructed to send this investigation materials to the Maui County prosecutor.

Herbert Isonaga moved and John Texeira seconded that Yamamura be put on notice that if he is selling interest in the land as owner of the land, the Commission does not consider this as unlicensed activity; but, if he is selling interest in the land that he does not own, the Commission considers it unlicensed activity. (This matter also to be referred to Robt Bekeart, Executive Secretary of subdivision registrations, as Yamamura might possibly be selling subdivisions. Motion carried.

New Business: Licensing

CORPORATION

Land Services, Inc. - 926 Bethel Street, Honolulu
George K. H. Lau PB
Ed Aguiar Jr. Realtors, Ltd. - 35 Kainehe Street, Kailua
Edwin M. Aguiar PB
Jared Realty Corp. - 1441 Kapiolani, Suite 917, Honolulu
Jared E. Yamamoto PB
Worldwide Developers & Real Estate, Inc. - 190 S. King, Suite 1333, Hon.
Frank L. Spillman PB
Glenn Y. Fukuda & Associates, Inc. - Suite 1302 Financial Plaza, Hon.
Glenn Y. Fukuda PB
Real Estate Services, Ltd. - 881 S. King Street, Honolulu
William G. Stoner PB

Gemini Land, Inc. - 1350 S. King Street, Suite 209, Honolulu
David K. Takushi PB
Chester Lim Realtor, Inc. - 1529 Kalakaua, Room 3, Honolulu
Chester C. S. Lim PB
Knight Enterprises, Inc. dba Executive Homes of Hawaii - 1210 South Queen Street, Honolulu
Charles Young PB
PMB Realty, Inc. - 1336 Dillingham, Room 6, Honolulu
Peter A. Aduja PB

Change of Name:

Lawson-Currier, Inc. - 4211 Waialae, #501, Honolulu
(Formerly - Lawson & Associates, Inc.)

BRANCH OFFICE

D-T Land Company, Inc. BR-1 - 1744 East Kaahumanu Ave., Wailuku, Maui
Dennis P. Ting BIC
Doug Carty Realty, Inc. BR-2 - 49 S. Hotel, Suite 216, Honolulu
Elizabeth Cooper BIC

DBA

Goya Realty - 55 No. Church, Room 7, Wailuku, Maui
Hideo Goya dba
Joe Morton, Realtor - 1720 Ala Moana Blvd., Honolulu
Joseph J. Morton dba
Shayne Enterprises - 100 Pauahi Street, Suite 208, Hilo
Peter G. Shayne dba
Harriet K. Mizuguchi, Realtor - 677 Ala Moana, Suite 808, Honolulu
Harriet K. Mizuguchi dba
Fulton Realty - 914 Ala Moana, Suite 105, Honolulu
John D. Fulton dba
Limco Realty - 1690 Ala Moana Blvd., Honolulu
Lily S. M. Lim dba
Andow Realty - 830 Keeaumoku #9, Honolulu
George N. Andow dba
Real Estate Services - Suite 353 Alexander Young Bldg., Honolulu
Eric A. Lighter dba
Lowell O. Duesler, Realtor - 190 S. King, Suite 301, Honolulu
Lowell O. Duesler dba
Bob Takafuji Realty - 45-552 Kam Highway, Kaneohe
Robert T. Takafuji dba

Herbert Isonaga moved and Hiromu Yamanaka seconded that with the exception of Harriet K. Mizuguchi's application for dba, the Commission approve the licensing processing of the above as tentatively approved by the Executive Secretary. A check is to be made to determine whether Harriet Mizuguchi will be leaving Security Title Corporation to set up her own office. Motion carried unanimously.

Questionable Applications

Richard S. Imamoto, Salesman Applicant for License

The Executive Secretary informed the Commission that Richard Imamoto had passed the June 29, 1973 real estate salesman

examination after the regrading, but did not see the notice until he got married (in the midst of moving, he found the notice). Imamoto is requesting the opportunity of taking out his salesman license even though the one-year deadline has expired as his notice was innocently misplaced.

It was the Commission's decision that since this could be an honest mistake, the Executive Secretary is directed to call Imamoto into his office for a short interview, and to use his discretion in making a decision.

Douglas Chew Kum Tom, Salesman Applicant for License

The Executive Secretary reported that Douglas Tom has a mainland record for a conviction that occurred in Washington in 1968, which he failed to disclose in his application for license. A certified letter informing Douglas Tom of his failure to disclose all material facts in his application, and that if he failed to contact the Commission's office by September 24, 1973, the Commission may act on his application without his explanation for failing to disclose his criminal conviction.

This matter was deferred to the next meeting as Douglas Tom did not acknowledge receipt of the letter as yet.

Hawaii Resort Land Investment Corporation and Pre-Builders Land Corporation

The Executive Secretary reported that two separate corporations have made applications to set up their corporations in the same place with Joseph S. Hunter as president for both corporations.

The Commission's decision was to have the Executive Secretary call Joseph Hunter to find out what kind of operation this will be.

Jerry Asam Real Estate Co., Inc.

The Executive Secretary was directed to write to Jerry Asam that he must use his corporate name in his television ads, and that a copy of the letter be forwarded to Robt Bekeart.

Miscellaneous: Real Estate Schools Association of Hawaii Audience

Representing the Real Estate Schools Association of Hawaii were John Stapleton, David Bartholomew, Kenneth Harris and Milton Motooka.

In compliance with the Commission's request, the representatives appeared to present their views on the July 1973 examination.

The representatives felt that the schools contributed to 50% of the high passage of candidates of the last examination and that the other 50% passage was due to the low quality and repetitious use of examination questions by E.T.S.

Their honest opinion was that they are losing the challenge of teaching as the examination is too simple. They felt that no school is trying to reconstruct the examination.

The Commissioners informed them to submit a statement to the above facts so that Hiromu Yamanaka can take it up to E.T.S. in November.

The Commissioners felt that if E.T.S. cannot change the examination, the Commission should start negotiations immediately with California to engage their services for testing. John Stapleton offered the Association's assitance if and when the Commission does consider changing testing programs.

John Stapleton requested the Commission's approval to allow the schools to teach salesmen and brokers together in the subjects of math and state laws as they consisted of the same lecture. The Commission approved the request, provided that, the schools understand that if the classes are too large, the schools are not to combine the broker and salesman classes, and not more than 20% of course time shall be under a combined situation.

Correspondence: NARELLO's Constitution and By-Laws Committee

The Executive Secretary advised the Commission that NARELLO will be changing its constitution and by-laws, and that John Hempel has requested that the proposed changes be forwarded to the delegate for voting purposes.

The Executive Secretary was directed to send copies to all members for their review and comments.

1973 NARELLO Conference

The Executive Secretary reported that he just received a tentative agenda for the 1973 NARELLO Conference, and he will prepare the travel request for Hiromu Yamanaka and himself.

Letter from Kahana Realty, Inc.

The Executive Secretary reported that he has received a letter from Kahana Realty, Inc requesting that the [illegible] consider its [illegible] and grant approval to Donald Kraemer to sit for the [illegible], 1973 examination.

Herbert Isonaga moved and Hiromu Yamanaka seconded that the Commission deny the request as Donald Kraemer did not meet the

experience requirement for real estate broker applicants. Motion carried without dissent.

Announcements: None

Date of Next Meeting: Thursday, October 25, 1973, at 9 a.m.

Adjournment: There being no further business, Chairman Sodetani adjourned the meeting at 3:25 p.m.

Taken and recorded by

Peggy Lau

Peggy Lau, Stenographer

Approved by

Yukio Higuchi

Yukio Higuchi
Executive Secretary