

Minutes of the Meeting
of the
REAL ESTATE LICENSE COMMISSION
OF THE TERRITORY OF HAWAII

August 23, 1956, at the offices of Commissioner John K. Clarke, Jr.,
227 South King Street, Honolulu, Hawaii

Present: Eaton H. Magoon, Chairman
Hirotooshi Yamamoto, Member
John K. Clarke, Jr., Member
Robt E. Bekeart, Executive Secretary

The regular luncheon-meeting of the Real Estate License Commission of the Territory of Hawaii was held in the offices of Commissioner John K. Clarke, Jr., at 227 So. King Street, Honolulu, Hawaii. Chairman Magoon called the meeting to order at 12:00 noon and the order of business and actions taken were as follows:

ORDER OF BUSINESS

Reinstatement Requests

Executive Secretary Bekeart presented to the Commission for official action the following reinstatement petitions from former salesmen who forfeited their licenses due to non-payment of renewal fees:

1. Theodore Roosevelt Waters
2. Jim W. Turner
3. Raymer Kauilani Kanealii

The Commission unanimously approved the recommendation of temporary approval for reinstatement granted by the Executive Secretary to Mr. Waters and Mr. Turner, and at the same motion, unanimously approved to defer action pending further investigation and questioning of Mr. Kanealii on his assault and battery charge of February 24, 1955. The Executive Secretary was requested to interview Mr. Kanealii for an explanation of his conduct and report his recommendation at the next regular meeting.

There was question of requiring licensees to seek permission in writing when advertising under nicknames not already registered with this Commission. Mr. Theodore R. Waters wants to use the nickname "Ted" in all advertising. Commissioner Clarke did not feel this was necessary. Mr. Bekeart explained that the purpose behind this requirement was caused by a number of indiscriminate uses of nicknames in past advertising which at times was hardly recognizable by the Commission because of such variations of names as given in their original applications on file.

The Commission took no definite action on this policy at this time.

Brokerage License Applications

Harriet Gega & Emil V. Carreira, Realtors - The mentioned brokers filed with this Commission an application for a co-partnership license, designating Mrs. Harriet Gega as the principal broker. Mr. Magoon moved for official approval, confirming the tentative approval already granted by the Executive Secretary on August 21, 1956, which was seconded by Commissioner Clarke and unanimously carried.

Aloha Realty, Ltd. - Mr. H. Ray Millard, Jr., and Mr. John F. Bucca, Brokers, have purchased Mr. Cliff Stark's business interests of the firm Cliff Stark-Real Estate and have organized into a real estate corporation to do business under the corporate name, Aloha Realty, Ltd. It was explained by the Executive Secretary that although the charter of incorporation is not complete, the Treasurer of the Territory of Hawaii, had granted approval of the use of such corporate name for a period to expire September 14, 1956, that he has granted tentative approval on August 16, 1956, pending an official action of this Commission. Mr. Clarke moved that the Commission go along in this matter and that they comply on or before the expiration date. Mr. Magoon seconded and carried.

Special Examination for Broker Applicant,
Leighton S. C. Louis

Mr. Louis, broker applicant for the examination conducted on May 5, 1956, reported that he failed to receive a notice to be re-examined with several applicants in the "twilight zone" on May 25, 1956. At the last previous meeting, the Executive Secretary was directed to re-examine Mr. Louis on the identical examination given the other applicants. He was examined in the Commission office on August 21, 1956 and successfully passed with a grade of 100%. The Commission unanimously approved that a broker's license be granted to Mr. Louis.

Applicants Re-taking Examination

For the information of the members, a recap of applicants re-taking examinations on August 4, 1956 revealed the following figures:

<u>Brokers:</u>	32	Oahu	
	<u>1</u>	Kauai	
	33	Total	33

15 retaking (9 took 5/5/56 exam.)

<u>Salesmen:</u>	115	Oahu	
	2	Kauai	
	<u>1</u>	Hawaii	
	118		<u>118</u>

30 retaking (25 took 5/5/56 exam.) 151 Total Applicants

Review of the Examinations
Conducted on August 4, 1956

A lengthy discussion was held among the members on the merits and demerits of the August 4th examination insofar as to the contents of the examination questions, the percentage of applicants successfully passing, the new policy of requiring 75 per cent correct in the Initial Payment Receipt and Contract and Exclusive Authorization to Sell Contract forms before an applicant can be licensed, and the basic question: "Is the Commission steering in the right direction in carrying out and fulfilling its goal and purpose, which purpose is the protection of the general public in all real estate transactions."

Chairman Magoon expressed concern that the Commission in its overzealous attempt to make our examinations "too stiff" may be eliminating competent applicants who are well-qualified but could not for some reason successfully pass our examination, and this Commission may again run the risk of being involved in another court litigation similar to the "Eve Carlson" case. Mr. Magoon has received calls from applicants of the last examination who reported to him that they failed in the examination by missing a few points off the minimum passing grade and if there is any possibility of the Commission reconsidering such applicants. Chairman Magoon went on record to express his desire and prerogative to act similarly to the Bar Association by personally reviewing the last examination papers of all the "twilight zone" applicants, and if he disagrees with the corrected papers, he would score them according to what he thinks is correct and submit to the Commission the results of his findings.

Commissioner Clarke in rebuttal expressed his complete satisfaction of the August 4 examination as a very comprehensive and fair examination and further went on record to state that he could frankly admit that in his estimation, since his tenure as Commission member, the Commission has finally attained the normal curve of percentage passing in the examination. Mr. Clarke stated that he has already reviewed the examination questions with Mr. Bekeart and is thoroughly familiar with the contents of the examination. He reiterated his former stand that the Commission should stand firm on whatever decisions it adopts, whether it be the minimum attainable grade for licensure or its new policy of attaining 75 percent on the Initial Payment Receipt & Contract and Exclusive Authorization to Sell Contract forms. Assuming that the Commission allows several applicants to pass because he missed a few points and then the bar is let down for a few more to pass, then, where is the cutting off line? The requirement of being thoroughly familiar with the "tools of the trade" is not unreasonable; in fact, it is highly essential. Our records show that the major complaints stem from careless and unfamiliar knowledge of the use of these two forms by licensees already in the industry. If the real estate field is to be kept on a high and respectable level, the Commission must strive to admit only competent licensees. As it is, the field is overcrowded with housewives and other part-time workers, and they are gradually weeding out by competition the old-timers who really know their trade and who are dependent upon real

estate as a full-time livelihood. We have done away with the old "essay" type of examinations; our present examination questions are answerable by either "yes" or "no". It therefore presents to the Commission an altogether new approach and method of handling the scoring of the test papers.

The third member, Commissioner Yamamoto, was not present at this time to present his views on the examination. Therefore, Mr. Magoon directed the Executive Secretary to go over the test papers with him at the earliest opportunity.

Commissioner Clarke Serving on the
Legislative Committee of the
Honolulu Realty Board

Chairman Magoon questioned the propriety of Commissioner Clarke serving as a member of the Legislative Committee of the Honolulu Realty Board being, at the same time, a member of this Commission, and expressed his feelings that it is an unhealthy situation which would be subject to criticism from the general public. Commissioner Clarke at this time pointedly asked the Commission's opinion whether he should put in his resignation to the Legislative Committee. Chairman Magoon replied that he has no objection for Commissioner Clarke to attend their meetings in the capacity of an individual broker or a member of the Honolulu Realty Board and express his thoughts as such; however, he should refrain from advertising his name as a member of that Committee and express his thoughts as coming from the Real Estate License Commission. If he continues to be a member of the Legislative Committee, it would appear to the public that he is serving in a dual capacity which is contrary to good public policy and furthermore jeopardize himself to criticism. Commissioner Yamamoto seconded Mr. Magoon's thinking.

Printing of Directory and
RELCO Monthly House Organ

The Executive Secretary requested permission to print a manual-directory, similar to the one published by Oregon Real Estate Commission, including pictures of the Governor of Hawaii with a special message from him, members of this Commission, and staff, at a total cost of \$1800, and a monthly house organ at a minimum expense of \$100 per month to be mailed and distributed to 2,000-odd licensees in the Territory of Hawaii. As strongly emphasized in the recent Management Conference he attended, the Executive Secretary reported that there is a "sad need for better communication. The public does not know what the Commission is doing and in order to protect the general public, we must service the industry."

Commissioners Magoon and Yamamoto were opposed to expend Commission funds for such publications at this time. Commissioner Clarke dissented with the other members and brought out the point that the function of this Commission is not only to give examinations and license individuals,

but we have a duty to inform the public about our services, our aims, and purposes, and there is no better medium than through our news bulletin. We would be derelict in our administrative duties if we don't do something constructive other than just exist as another Commission.

2nd Annual Educational Conference
of the Honolulu Realty Board

Mr. Aaron M. Chaney, Chairman of the 2nd Annual Educational Conference of the Honolulu Realty Board which is scheduled for October 4, 5, and 6 at Hawaiian Village, has extended an invitation to our Executive Secretary to sit in on their Committee in planning the educational seminar. Mr. Bekeart was given unanimous official approval to participate in the planning of the forthcoming seminar. The Committee has further suggested that the Executive Secretary clear with the Real Estate License Commission on the feasibility of initiating the arrangements of inviting a qualified NALLO official, perhaps Mr. H. Bemis Lawrence of the Kentucky Real Estate License Commission or Honorable Dean D. Watson, Commissioner of California, to speak at the seminar with all expenses assumed by this Commission. Mr. Magoon suggested Mr. Watson as a more likely person to speak at the conference, and directed Mr. Bekeart to write to Mr. Watson right away whether he will be available at that time.

Future Commission Meetings and
Minutes of Meetings

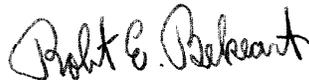
Commissioner Yamamoto put in a strong plea in requesting that hereafter he would like to see at every Commission meeting a prepared agenda and completed minutes of the previous meeting presented to each member in a folder for review. Commissioner Clarke and Executive Secretary Bekeart assured full cooperation in this matter. (Mr. Magoon had already left the meeting.)

Commissioner Clarke suggested that a luncheon-meeting every Thursday be a regular thing in the future. Mr. Yamamoto did not feel it was necessary to hold a weekly meeting. It was, therefore, compromised that unless the members were notified by the Commission office to the contrary, the meeting will be held as scheduled every Thursday at noon in the offices of Commissioner Clarke.

Adjournment

There being no other business to discuss, the meeting was adjourned at 1:30 p. m.

Respectfully submitted,



Robt E. Bekeart
Executive Secretary