

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

January 30, 1957, at the offices of the Commission, Room 109 and 121, Honolulu Armory, Honolulu, Hawaii

Present:

Eaton H. Magoon, Chairman  
Hirotooshi Yamamoto, Member  
Aaron M. Chaney, Member  
Robt E. Bekeart, Executive Secretary

A regular meeting of the Real Estate License Commission of the Territory of Hawaii was called to order by Chairman Magoon at 9:30 a.m. in the Commission's offices, Rooms 109 and 121, Honolulu Armory, corner of Hotel and Miller Streets, Honolulu, Hawaii. The order of business and actions taken were as follows:

## ORDER OF BUSINESS

## Applications to Operate Under Fictitious Trade Names

A tentative approval granted by the Executive Secretary to the following applications for fictitious trade names for the purpose of transacting real estate business was unanimously approved as official by the members. They have fully met the requirements as provided in Chapter 150, Revised Laws of Hawaii, as amended, and its rules and regulations.

- (a) Laura L. Thompson dba PROPERTY INVESTMENT CO. (OF HAWAII)  
2048 Kalakaua Avenue, Honolulu, Hawaii
- (b) Grant B. Nielson, Broker, who formerly operated as Kaneohe Realty, applied for a change of trade name to TOWN & COUNTRY REALTY.
- (c) The partnership of Joan K. Thomas and Byron J. Connell, doing business as WINDWARD OAHU REALTY COMPANY was dissolved as of 12/31/56. The assignment of this trade name has been granted to Mr. Connell as sole proprietor.

## Application for Co-Partnership License

A tentative approval granted by the Executive Secretary to PANG & NISHIHIRA, a co-partnership of Alving K. H. Pang and Oscar M. Nishihira, Brokers, was unanimously approved as recommended.

### Applications for Brokerage License

The members unanimously granted official approval on the following applications for brokerage license as recommended by the Executive Secretary.

- (a) CHARLES J. PIETSCH, LTD. - The co-partnership of Charles J. Pietsch, Realtors, ceased to exist because of the recent death of Charles J. Pietsch, Sr. That firm has reorganized into a corporation to do business as CHARLES J. PIETSCH, LTD.
- (b) A-PLACE-TO-STAY, LTD. - The trade name was purchased from Selwyn P. Jenkins, Broker. Mr. Robert H. Corbett is designated as the principal broker of the new corporation.
- (c) BUDGET INDUSTRIAL LOAN PLAN OF MAUI, LTD., dba MAUI REALTY & FINANCE COMPANY. A new corporation as a result of a reorganization of the former Maui Realty & Finance Company.
- (d) \*NOSAKA-GONDO REALTY, LTD.

\*For the record, the Executive Secretary reported that before a tentative approval was granted by this Commission, NOSAKA-GONDO REALTY, LTD., had advertised over the weekend. Both brokers Jack Nosaka and Clement Gondo were interviewed and advised that they immediately desist from further advertising under an unlicensed trade name or be held in violation of our law.

#### Applications for Branch Office Licenses

Confirming the action of the Executive Secretary's tentative approval, the members unanimously moved that a branch office license be granted to the following applicants:

- (a) ROBERT E. PAINE dba ISLAND LIVING applied to open an office at South Queen and Auahi Streets, J.C.C. Building, Room 3. His present main office at Aina Haina will serve as the branch office and the town office being the main office.
- (b) WENDELL F. BROOKS, Broker, applied for a branch office at 660 Kailua Road with Harold G. Boyd designated as Broker-in-Charge.

#### Letters from Applicants Requesting Review of Residence Records

Letters received from the following applicants were reviewed in determining their qualifications as residents of the Territory, which is one of the requisites to fulfill before a candidate can be accepted to take the salesman's examination:

1. Mrs. Thelma Pfeifer
2. John A. Hamilton
3. Gordon M. Hicks

Mrs. Thelma Pfeifer and Mr. John A. Hamilton were unanimously approved as qualifying residents of the Territory. The members unanimously moved that Mr. Hicks' application be denied at this time unless he can provide additional evidence to qualify himself as a legal resident of the Territory.

Working Arrangement for John Ayamo  
at Rainbow Realty Co., Ltd.

Up to the present time, Rainbow Realty Co., Ltd., had kept Mr. Ayamo on a non-paying basis at the Wailani field office with the understanding that as soon as he passed the examination, he will be employed as a real estate salesman for that firm. He has already taken several examination without success, and Rainbow Realty now feels obligated to compensate him for his long and sincere efforts. The firm would like to know whether it would be permissible to retain Mr. Ayamo at the Wailani field office in the capacity of an office clerk on a salary basis. The outline of the scope of Mr. Ayamo's duties was explained as principally involving answering phone calls, inquiries of callers pertaining to the subdivision, relaying important messages to the main office, and keeping the field officer presentable at all times.

The member reviewed this matter and brought up points discouraging the continuance of such an arrangement. Chairman Magoon raised the issue that there is bound to be an overlapping of responsibilities, and it may not end with just answering telephone calls. Then, too, he may be depriving another person who already has a license to sell real estate. Mr. Yamamoto felt that the duration of the employment was an important phase to consider - is it of a temporary or a permanent nature? Mr. Chaney stated that he will not dissent to the set-up provided Mr. Ayamo adheres strictly to answering telephone calls, sweeping the place clean, and has a set of keys to open up the place. The Executive Secretary was instructed to advise Rainbow Realty Co., Ltd., that the action of this Commission to their request is one of denial.

Reinstatement Requests

The Commission unanimously approved the reinstatement of the following salesman who were tentatively approved by the Executive Secretary, subject to an official action of the members. It was reported that a routine investigation revealed no derogatory records against them.

- |                      |                    |
|----------------------|--------------------|
| 1. M. Lono Heen      | 5. Helen Salazar   |
| 2. George Song       | 6. Yoroku Fukuda   |
| 3. James H. Pflueger | 7. Hideo Nishihama |
| 4. Donald J. Tierney | 8. Isaiah Shon     |

Forfeiture of Licenses for 1957

A list of brokers and salesmen who forfeited their licenses due to failure to remit renewal fees for 1957 was circulated to the members. The following who have immediately applied for reinstatement were granted unanimous approval:

- | <u>Salesmen</u>          | <u>Brokers</u>    |
|--------------------------|-------------------|
| 1. Frances L. Von Elsner | 1. Don Von Elsner |
| 2. Henry Y. Lee          | 2. Roy L. Mongeon |
| 3. Richard K. Shiozaki   |                   |
| 4. Ichabod B. Peterson   |                   |
| 5. Daniel D. S. Moon     |                   |
| 6. John S. Aroujo        |                   |

Some discussion was held on whether or not the Commission has the power to grant special consideration on forfeitures where it is realized extreme hardship or illness is involved. Granting that it is true the brokers are largely responsible for seeing that the salesmen renew their licenses, the members discussed on the advisability of reviewing the merits of each case before closing its door altogether for further consideration. The Executive Secretary in rebuttal called the members' attention that our law pertaining to the requirement of remitting all renewal fees on or before January 1 of each year is very clear and specific. However, if it is the wish of the Commission to direct him to determine whether each forfeiture has a valid excuse to offer for non-payment, it would be such a stupendous task that it would be physically impossible for him to perform at this time. This office has tried to be more than helpful by sending out three separate mailings of reminders, made numerous personal contacts and telephone calls to licensees during the renewal periods, and extended the deadline date for payment until midnight of January 2nd - all these are above and beyond the requirements of our law.

Upon a suggestion by Mr. Chaney that he be allowed to give further study to this matter, Chairman Magoon moved that it be deferred for a later action by the Commission with the assurance that the Chairman is willing to go along any recommendation offered by Mr. Chaney. Motion was carried unanimously.

Report on Contacts Made With  
Applicants Who Have Failed to  
Pick Up Licenses

It was reported that out of 27 applicants contacted, who have to this date failed to pick up their licenses after qualifying in a written examination, there are now 7 remaining outstanding:

- |          |  |
|----------|--|
| 1        | Out of Territory - no forwarding address (Marie Smith Duke)          |
| 2        | Out of Territory - no replies to our letters (Frank Koge & Ann Park) |
| 1        | Letter requesting cancellation forthcoming (Dorothy Gamage)          |
| 1        | Promised payment by mail (Marion H. Shim)                            |
| 1        | Undecided (Walter M. Hee)  |
| 1        | Will confer with broker and decide (Marjorie A. Sterns)              |
| <u>7</u> |  |

Chairman Magoon moved that this matter be handled at the discretion of the Executive Secretary with the caution that the Commission cannot force the issue, and if the applicant fails or refuses to pay, then the application would have to be placed in our dead file. Motion carried.

Commissions's Policy on Renewals  
Paid by Deceased Persons

The Executive Secretary requested the members' opinion on whether or not the Commission is obligated to refund broker's renewal fee paid by Mr. Frank E. Howes, who recently passed away. It was the unanimous decision that such fee is not refundable since death occurred after the first of the year. Mr. Dean Shephard, who is handling Mr. Howes' estate, should be notified of the Commission's decision.

The policy of requiring the return of all deceased persons' licenses to the Commission for control and record purposes was also discussed. The members strongly felt this was not necessary. Oftentimes, licenses left by deceased persons are valued for a sentimental reason as a keep sake or a souvenir by the remaining

family. However, for the direction of the officehandling similar situations in the future, the members advised the Executive Secretary to send a letter of condolence to the bereaved family, note the death of licensee for our records, and, if the case requires, determine the broker-in-charge of the office.

#### Uniform Lunch Hour Period for Staff

The suggestion of closing the Commission office during the lunch hour period, as practiced by other Territorial offices, was duly moved for acceptance by Chairman Magoon. The lunch hour period will be set at the discretion of the Executive Secretary. Motion was seconded by Mr. Chaney on the condition that only December 31st be made an exception. Motion carried.

#### Commission Financial Report

The financial report as presented below was unanimously approved:

\$26,624.65	Balance as of 11/30/56
607.83	Office expenditures
<u>1,246.09</u>	Pay Roll
\$24,770.73	
<u>11,434.00</u>	Collections for December
<u>\$36,204.73</u>	Balance as of 12/31/56

Chairman Magoon reiterated his former objection to contributing any additional appropriations to the Salary Increase Fund as mandated by the legislative Act 2, unless it is the unanimous consent of this Commission. The Executive Secretary suggested that as a matter of principle, we should see how far this Commission can go along on this matter; this is a mandate of the Legislature and the Commission cannot ignore it altogether.

#### Armed Forces Housing Committee

The members commended the office personnel for the cooperation rendered the recently formed Armed Forces Housing Committee by sending out letters to all brokers, appealing for help in alleviating the critical shortage of housing for dependent families of military services. This request came through the Governor's office, representing the Executive Committee of the Kokua Council.

#### Entertainment Fund for Executive Secretary

A motion was made by Chairman Magoon that the Executive Secretary be authorized a sum of \$30.00 a month to defray the costs of attending luncheon meetings of the Honolulu Realty Board, and various other meetings which are attended in line of duty as representing the interests of the Commission. Mr. Chaney suggested that this matter be discussed through the proper channels as to legality and report at the next meeting. The subject of coffee breaks for the office personnel was discussed and the members were all in favor of granting such breaks during the normal working hours.

Complaints, Advertising Violation  
and Pending Case

- (a) Letter of Complaints from Dr. Thomas M. Mar  
versus McQuerrey Realty Company

In order to afford an opportunity for the Executive Secretary to contact Mr. McQuerrey on this complaint, the Commission unanimously granted an extension.

- (b) Chester L. Mannel - Advertising Violation. Mr. Mannel was cautioned for advertising his name under Baltrusch Realty Company, former employer, when he is currently employed by Guaranty Investment Company. Mr. Mannel has made immediate restitution and case was closed.

- (c) Kenneth W. Ing - Progress Report. The Attorney General has not as yet handed down a written opinion on Mr. Ing's residence status in the Territory. The Commission granted a further extension to the Executive Secretary to check with that office on the contingencies attached to this license. For the records, Mr. Magoon and Mr. Yamamoto stated they are in complete accord to grant Mr. Ing full status as a licensed broker.

Definite Date of Next Examination

The recommendation for scheduling a definite date for the next examination was unanimously approved as follows:

Examination Date . . . . . March 9, 1957  
Deadline Date for Filing . . . . . February 8, 1957

The suggestion of conducting a separate date for the brokers and salesmen be completed reasonably in advance so that the members will have an opportunity to review the finished product. The members unanimously consented to offer full cooperation in reviewing and suggesting test questions for the coming examination whenever the Executive Secretary wants to meet with them.

Study on Commission Records Disposal

In a discussion with Miss Agnes C. Conrad, Archivist with the Board of Commissioners of Public Archives, this Commission tried to determine the legality of destroying certain accumulated office records. It was learned that under Act 65, Session Laws of Hawaii 1949, we are authorized to destroy or otherwise dispose of certain records under established conditions. The members have no objection to proceed on this matter; however, it was suggested that for the protection of this Commission the Executive Secretary work out a statute covering this phase for amendment in our law for the members to review. Commissioner Chaney suggested that a check be made into the banks and trust companies' manner of disposal of records as a guide.

Study of Administrative Problem

Mr. Bekeart reported that the girls in the office with the minimum of help have done an excellent job of handling the 1957 renewal project. Except for a

few licenses that are being held pending full compliance of our law before they can be released from this office, the huge task is practically completed. For the information of the members, a recap of the renewal notices mailed out, total number of receipts of license payments, date licenses mailed out, and the current number of licenses as of January 1, 1957 was circulated to the members. (See attached report)

Mr. Ronald A. Conching, sales representative of the addressograph division of Fisher Corporation, Ltd., was consulted on their addressograph system to process and streamline many of the bulk work now handled by this office from day to day. The members gave unanimous approval for the Commission to proceed with the cutting of addressograph plates for all licensed salesmen in the Territory. Currently, the Commission maintains only the brokers' addressograph plate file.

The present application forms for brokers and salesmen are being studied for revision with a possible inclusion of requiring photographs and fingerprinting of all candidates. Instructions sheets will be constructed for all prospective candidates to accompany an application form for license.

Report on Results of Examination  
Reviewed with Applicants who Failed  
10/27/56 Examination

The Executive Secretary has spent from 45 minutes to one hour with approximately 22 broker applicants who failed in the last examination. Out of this group, he recommended 10 candidates identified with examination numbers only for reconsideration of broker's licenses. After a careful review by the members, a motion was made by Mr. Chaney, seconded by Mr. Yamamoto and carried that Executive Secretary's recommendation be approved for granting broker's license to the following candidates: For the records, the names of the candidates are revealed with the corresponding identification numbers:

	<u>Name</u>	<u>Identification Number</u>
1.	Robert B. Mew	42
2.	Joseph T. K. Chong	37
3.	Edward Yamaguchi	40
4.	Ralph Miller	9
5.	Volney Howard	8
6.	Francis J. Moore	17
7.	Ernest A. Ross	51
8.	Albert W. Hendrickson	14
9.	Imola Church	4
10.	Richard Tsui	21

A lengthy discussion was held on broker applicant I.D. #29, whose test paper was also included in the review. In view of a recent sales contract prepared by this salesman, the Executive Secretary left it up to the Commission to decide whether a broker's license should be granted to such applicant at this time. After examining the copy of the sales contract, the general impression of the members was that further close supervision and guidance of a broker was indicated. It was moved by Mr. Chaney and seconded by Mr. Yamamoto that the Commission does not approve the granting of a broker's license to such applicant at this time. Chairman Magoon conceded to the majority vote of the members.

Discussion with Honolulu Realty Board  
on Legislation Held 1/29/57

The Executive Secretary reported that members of this Commission were invited to attend the initial meeting sponsored by John K. Clarke, Jr., Chairman of the Legislative Committee of the Honolulu Realty Board, for a preliminary discussion on the proposed changes to Chapter 150, Revised Laws of Hawaii, on January 29, 1957, at 227 So. King Street. Present were:

Hirotooshi Yamamoto	Real Estate License Commission
Aaron M. Chaney	"
Robt. E. Bekeart	"
Campbell Stevenson, President	Honolulu Realty Board
Buzzy T. Okazaki, 2nd Vice-President	"
Lincoln S. Char, Director	"
John K. Clarke, Jr., Director	"
William M. Furtado, Director	"
B. J. Connell	"

The Honolulu Realty Board is retaining the services of Attorney Ralph Yamaguchi to draft the bills, and the Commission will have the services of Deputy Attorney Wadsworth Yee of the Territorial Attorney General's office. The Commission's thinking was discussed broadly on the areas of coping with the advance fee racket by redefining real estate salesman and brokers; reviewing the apprenticeship period of a salesman; reword the residence requirement section in our law; maintaining trust accounts, keeping of records, and giving a copy of every document to all parties concerned in a transaction be mandatory. The members unanimously approved of the presentation and requested that a progress report on this matter be presented to the Commission.

Case of Avon C. Y. Yap  
Broker Applicant

A letter received just prior to the meeting from Avon C. Y. Yap, petitioning the issuance of a broker's license, was deliberated for action at length. Mr. Yap was a successful applicant for a broker's license; however, the Commission at a meeting held on May 28, 1956 denied him a license on his questionable involvement in the Beckjord case with a former licensee, Tommy Larkin, Jr., who was finally convicted in a forgery case. Recommendation was made by the Executive Secretary that a form of "restricted license" similar to the California law be applied in this case. Mr. Yap would serve more or less on a probational basis under close supervision of the principal broker of Waikiki Realty Co., Ltd., and all his transactions would be under the scrutiny of this Commission for a stated period. The affidavit from Lt. Frank H. Cunningham of the Los Angeles Police Department and also a letter from Attorney Masato Doi both vouching on Mr. Yap's qualification for honesty, integrity, character and sound judgment were taken into strong consideration.

The members unanimously moved the granting of a broker's license to Mr. Yap on the contingency that from the period of the issuance of a license to said applicant, all real estate transactions, financial accounting and pertinent records, will be under the close surveillance of this Commission at all times for a period of six(6) months.



Extension of Temporary Help in  
Commission Office

The Executive Secretary's request to retain the help of a temporary girl in the Commission's office to work on the addressograph system was unanimously approved.

Adjournment of Meeting

There being no further business to discuss, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Robt E. Bekeart". The signature is written in a cursive, somewhat stylized script.

Robt E. Bekeart  
Executive Secretary