

MINUTES OF MEETING OF JANUARY 26, 1959

The second meeting for 1959 of the Real Estate License Commission was called to order by the Chairman on January 26, 1959 at 9:00 A.M. at the Commission office, 121 Honolulu Armory.

Present were: Eaton H. Magoon, Chairman
Aaron M. Chaney, Member
Hirotoshi Yamamoto, member
Robt E. Bekeart, Executive Secretary

ORDER OF BUSINESS

I. Formal Hearing: L. M. Barrett vs Howard "Howdy" Reynolds

A formal hearing was conducted in the matter of L. M. Barrett, complainant, vs Howard A. "Howdy" Reynolds, broker respondent. Wilbur K. Watkins, Deputy Attorney General represented the Commission. The complainant L. M. Barrett and Mrs. Barrett were present as was the Commission's Investigator Dick H. Okaji. The proceedings were recorded by Tamotsu Muranaka, certified court reporter.

The Attorney General's representative opened the hearing by stating the purpose of the hearing. The respondent broker Reynolds admitted receiving the official notice that he was to appear before the Commission this day and that he could have retained counsel to serve on his behalf. In his attempts to answer the Chairman's question on whether he would require counsel or did he prefer to present his own case the respondent, sensing the seriousness of the charge, admitted that he would like to retain counsel. Commission took Mr. Reynolds' request under advisement and the Chairman directed that this formal hearing be recessed until Friday, February 6, 1959 at 9:00 A.M. All present were instructed by the Executive Secretary to consider these oral instructions as official notice of the continuance. The complainants were agreeable to the action to recess, with some reservations.

II. Informal Conference: Request of Broker Edward S. Ching

The Commission's January 9, 1959 informal conference with Edward S. Ching, broker, on the matter of approving the Honolulu broker's request to employ a Hawaii Island resident as a salesman was continued. In order to fully acquaint the Chairman with the problem, Clesson Chikasuye, counsel for Edward S. Ching, presented his case on behalf of the licensees. During the discussion that followed the Chairman pointed out that the Commission was charged with the delicate responsibility of administering Hawaii's license laws and here before them was the matter of determining what kind of direct control Broker Ching could exercise over a salesman who had residence on Hawaii. The Executive Secretary stated the Staff's position as being one where the Rule 6 language of direct control is construed to mean "personal" or "immediate" and therefore the Honolulu broker could not properly be in charge of nor have direct control or supervision over the Hilo office where salesman Koshi Miyasaki was to function. Mr. Ching stated that advertisements would be made in Honolulu papers, with an occasional run in Hilo Tribune Herald, and that all transactions would be closed in Honolulu by himself.

The Commission, having knowledge that an opinion on this matter had been requested of the Attorney General, gave tentative approval for Broker Ching to employ Koshi Miyasaki, Hilo salesman. Mr. Chikasuye's suggestion that he might be permitted to talk this matter over with Deputy Attorney General Shigekane was approved.

In closing, the Commission strongly emphasized to Broker Ching that the requirements of Rule 6 as to direct control must be complied with.

III. Approval of Minutes

The minutes of December 16, 1958 and January 9, 1959 meetings were approved as circulated.

IV. Reinstatement Requests

The following licensess, having filed an application requesting reinstatement and submitted the appropriate fee, were approved as being reinstated from forfeited status:

Hilda Cummings	(s)	Iris J. Cullen	(b)
Frederick A. Rhodes	(s)	Daniel B. Wong	(b)
Louis K. Kahanamoku	(s)	Thomas Nakada	(s)
Axel Ornellas	(s)	Howard Lim Kum	(s)
Mina L. Blaisdell	(s)	William M. Cross	(s)

V. Request to Use Fictitious Name

Application to register and use the following fictitious names, as required in Rule 8, were approved for the following brokers:

Tadashi Iwanuma	dba Kalihi Realty
James Masaki Hirata	dba Hirata Realty

VI. Application for Brokerage License

Applications for the following to be issued brokerage licenses were approved:

National Securities and Investment, Inc.
Earl Thacker Company, Ltd
Paradise Counselors, Limited
Fearon-Cross, Inc. (confirming tentative approval given 1/21/59)

VII. Request of Nosaka-Gondo Realty

Request of Nosaka-Gondo Realty to hire Harry I. Tanaka, salesman, Kona resident, was approved. Processing of this re-issuance will be held up pending receipt of Attorney General's opinion and final ruling by Commission.

VIII. Request of Fred Blanco (b)

The request of Fred Blanco, broker, to offer for sale land belonging to his client Robert Arizumi was discussed. As it appeared that this matter did not fall clearly within the purview of the Commission's authority, it was moved that no stand be taken on this matter and the Executive Secretary was directed to notify the licensee of the Commission's ruling.

IX. Request of California City Associates

The request of California City Associates to offer for sale their California holdings to Island residents was similarly studied. The Executive Secretary reported that more and more inquiries from the mainland are being directed to the Commission on matters of this nature and the Staff feels duty-bound to answer such requests as California City Associates and Hesperia-Victor Valley Land Development Group have forwarded this agency. It was the Commission's feelings that some legislative remedy should be effected so as to provide maximum protection for island residents against promoters from the mainland who would attempt to offer mainland properties for sale in Hawaii. The Executive Secretary was directed to reply to such requests by forwarding a copy of our licensing statute to the parties concerned.

X. Refunds Due for 1959 Renewal Project

Commission approved the payment of refunds to those persons who have rightful claim to same as part of the closing out of the 1959 renewal project.

XI. Qualifying broker candidates

Commission approved the applications submitted by Nadao Yoshinaga (s) and Tadashi Kaneko (s) for the next broker examination.

Credit was given Nadao Yoshinaga for the apprenticeship period since he met all the requirements of Sec. 170-7(a), (b), (e), (g) on January 21, 1958 but because of his employing broker's failure to renew, a valid license to serve as salesman could not issue. Upon learning of his status Mr. Yoshinaga sought employment with Shizu Mizuha, broker, under whose supervision he has since operated.

Credit was given Tadashi Kaneko for the apprenticeship time spent in the employ of the Real Estate License Commission as Investigator for the period from July 1957 to April 1958.

The above two situations are not to be considered as precedent setting actions. The positive handling of these two administrative requests fall rightfully within the purview of the Commission's authority.

XII. RELCO Employees 1959 Vacation Schedule

The attached 1959 vacation schedule for RELCO employees was approved.

III. RELCO financial report as at 12/31/58 - Approved

Balance on hand 12/1/58	\$ 9,254.53
Collections month of December	29,036.00
Less Expenditures - December	<u>-3,960.45</u>
Balance as at 12/31/58	<u>\$34,330.08</u>

XIV. Real Estate Bond - Damon Sakai

Mr. Chaney requested information on any action taken against the bond of Damon Sakai whose salesman's license was revoked in 1958. Executive Secretary reported that to the best of his knowledge and belief no action had been initiated against the surety. The Commission was of the opinion that an inquiry should be directed to the responsible surety agent asking for a report on this matter. It was the unanimous opinion that the Commission go on record inquiring into the effectiveness of the bond to protect the general public.

IX. Addition to Clerical Staff

The Executive Secretary proposed that in order to keep up with the mounting demands on the agency some thought be given to the hiring of a lower echelon clerical employee to relieve the work loads now experienced by the Staff. It is quite evident that the Commission is processing more work requests and handling more interviews, complaints, etc. than was predicted when the clerical staff was expanded in early 1958. Although statistics are not readily available, it is assumed that a stepped up enforcement program in 1959 would necessitate the hiring of an additional clerical person to support the Investigator and the responsibilities assigned him.

There being no further business, the meeting was adjourned at 11:30 A.M.

Respectfully submitted,


Executive Secretary