

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

May 9, 1952, at the offices of the Commission, Rooms 109 and 121, Honolulu Armory, Hotel and Miller Streets, Honolulu, Hawaii.

Present: Eaton H. Magoon, Chairman
John K. Akau, Jr., Member
Stephen K. Miyagawa, Administrator

The regular meeting of the Real Estate License Commission of the Territory of Hawaii was called to order by Mr. Eaton H. Magoon, Chairman, at 9:00 a.m., in the Commission offices, Rooms 109 and 121, Honolulu Armory, corner of Hotel and Miller Streets, Honolulu, Hawaii. The reading of the minutes of the previous meeting was dispensed with. The order of business and actions taken were as follows:

ORDER OF BUSINESS

Commission's Jurisdiction and Control
Over a Foreign Broker to Engage in Real
Estate Business in the Territory of Hawaii

Further discussion was held regarding this Commission's jurisdiction and control over foreign corporations or individuals to engage in real estate business in the Territory of Hawaii. The Administrator read the communication addressed to the Attorney General's office requesting a re-examination of its opinion rendered on the above matter in a previous communication from that office. (see copy of letter attached hereto) Sections 7732, 7736, 7741 (subparagraphs 6 and 14) of Chapter 150, Revised Laws of Hawaii, as amended, and Rule 10 of the Rules and Regulations of the Real Estate License Commission of the Territory of Hawaii were again reviewed in reference to the legality of permitting foreign corporations or individuals to engage in real estate business in the Territory without meeting certain Territorial requirements.

Mr. Magoon suggested that our section of the law regarding licensing of corporations should be amended at the next legislature so that our statutes would be strengthened and be more specific in the licensing and enforcing of such corporations or individuals. Before such corporations could be licensed, they should be required to go through a waiting period of from two to five years. Mr. Akau, member, unanimously approved of this suggestion.

Mr. Magoon, Chairman, reported that he had cleared this matter with the Treasurer of the Territory of Hawaii regarding their requirements to permit a foreign corporation to do business in the Territory of Hawaii. It was learned that a foreign corporation is required to put up a bond up to \$50,000.00. The consensus of opinion of the members present was that the chief duty of this Commission is to protect the general public in its real estate transaction; therefore, with this in mind, Mr. Magoon moved,

seconded by Mr. Akau, and unanimously carried that a foreign corporation or individual should first qualify with the requirements of the Treasurer of the Territory of Hawaii. The Commission further took a stand that it will absolutely prohibit splitting of commission or compensating any foreign corporations or individuals for referring business to Territorial real estate licensees. The Administrator was instructed to advise the decision of this Commission to Mr. G. A. O'Rouark, President of Guaranty Investment Co., Ltd., by letter, requesting him to first register with the Treasurer's Office and upon application to this Commission, the matter will be further cleared with the Attorney General's office before such license could be approved. The Administrator was also instructed to call the attention of the members in the event of similar problems coming up before the Commission.

Case of Edward H. S. Marino, Jr.

The Administrator reported that several notices were sent to Mr. Marino, salesman, advising him to inform this Commission of his employment status since his severance from Mr. James Morinaka, broker, on March 4, 1952. Mr. Marino personally telephoned this office and spoke with the Administrator, but to date he has not complied with the request of this Commission. It was moved by Mr. Magoon, seconded by Mr. Akau, and unanimously carried that a registered mail be addressed to Mr. Marino, advising him that unless he complied with our request on or before May 16, 1952, his salesman's license will be suspended.

Extension of deadline for Filing Applications
to Take the Broker's and Salesman's Examinations

Due to the extension of the date of the real estate examinations from May 24 to May 31, 1952, it was unanimously agreed that the deadline date for filing applications should correspondingly be extended from May 5 to May 12, 1952.

Bids on Commission Handbook, Chapter 150,
Revised Laws of Hawaii, 1945, as amended 1951

Bids for printing the Commission handbook, Chapter 150, Revised Laws of Hawaii 1945, as amended 1951, were accepted from the following printers:

1. Printship of Hawaii, Co., Ltd.	2000.....\$123.00*
	3000..... 151.00
2. Tongg Publishing Co., Ltd.	1000.....\$ 85.00
	2000..... 125.00*
3. Taisho Printing Co., Ltd.	2000.....\$140.75*
	3000..... 196.25
4. Mercantile Printing Co.	2000.....\$177.50*
	3000..... 288.50

The Administrator reported that Printshop of Hawaii Co., Ltd. submitted the lowest figure of \$123.00 per 2,000 copies. Figured upon this price, it would cost the Commission approximately 6¢ per book. It was suggested that the Commission could assess the public 10¢ a copy which would mean a profit of approximately \$77.00 per 2,000 handbooks. It was moved by Mr. Magoon, seconded by Mr. Akau, and unanimously carried that this is a fair assessment to charge per copy of our handbook.

Newly Printed Commission Letterhead

As instructed in the Commission meeting of April 22, 1952, Mr. Magoon's and Mr. Akau's names were imprinted on the Commission's letterhead. Sample copies were distributed among the members and this action was unanimously approved.

Reinstatement Request Received from Following Salesmen and Broker

The Administrator reported the following salesman and one broker made proper petitions to the Commission and paid the required reinstatement fee of \$25.00 and recommended the approval of their reinstatements:

1. Albert K. Sugai, salesman
2. Hiroshi Kawahara, salesman
3. A. O. Clissold, salesman
4. W. Y. Pack, broker

The above recommendation for reinstatement was unanimously approved by the Commission.

The Administrator recommended the action of the Commission on the requests for reinstatement from Mr. Jesse Monroe Jackson, salesman, and Mr. Fortunato T. Castillo, salesman. Upon a routine investigation of the above petitioners, it was disclosed that Mr. Castillo has a fairly recent police record, and Mr. Jackson has an unsatisfactory credit record. After a thorough review of their records, Mr. Magoon moved, seconded by Mr. Akau, and unanimously carried that the Commission approve the reinstatement of their licenses subject to an informal questioning at our next Commission meeting. The Administrator was advised to write to both to appear at our next meeting.

Applications to License Trade Names

The following real estate brokers have applied to the Commission to do their brokerage business under the following fictitious names:

1. Jack H. Mizuha dba Kauai Realty Investment Company
2. Buzzy T. Okazaki dba B. T. Okazaki Realty Company
3. John E. Jenkins dba Kaneohe Realty
4. Evelyn M. Yoshino dba Business Realty Mart

The members reviewed the applications of Mr. Jenkins and Mrs. Yoshino, requesting the licensing of their trade names as Kaneohe Realty and Business Realty Mart, respectively. It was unanimously agreed to approve the above trade names provided the word "dba" is prefixed before the names.

Considerable discussion was had on the usage of the word "company" in an individual proprietorship venture. Jack H. Mizuha dba Kauai Realty Investment Company and Buzzy T. Okazaki dba B. T. Okazaki Realty Company are both sole proprietorships. It was felt that the word "company" incorporated in fictitious names was very misleading and should be entirely omitted. A check on the definition of the word "company" gave the following: "An association of persons for a joint purpose, esp. for carrying on a business; those members of a partnership firm whose names do not appear in the firm name; as, John Doe and Company; an association of a number of individuals for the purpose of carrying on some legitimate business." Our real estate statutes are not specific on this point. A check with the Treasurer of the Territory of Hawaii revealed that an individual may register a trade name incorporating the word "company." It was unanimously agreed that since nothing in our laws could prevent anyone from licensing trade names wherein the word "company" is used, the Commission approved the licensing of the abovementioned trade names subject to further scrutiny on the usage of the word "company", if necessary.

Number of Applicants to Take the Salesman
and Broker Examinations to be Held on
May 31, 1952 for Oahu and Outside Islands

The Administrator reported that a total of 177 applicants have applied to date to take the real estate examinations on May 31, 1952. The examinations in Honolulu will be held at 8:00 a.m., at Kaimuki High School pavilion, corner of Kapiolani Blvd. and Kaimuki Avenue.

Honolulu - Brokers.....	46
Salesmen.....	128
Total	<u>174</u>
Hawaii - Salesmen.....	2
Maui - Salesman.....	1

At this time, Mr. Magoon moved, seconded by Mr. Akau, and unanimously carried that Miss Elaine Ikeda, Commission Secretary, be instructed to go to Hilo to proctor the examinations on the Island of Hawaii, and Mr. Akau go to Maui to proctor the examinations on the Island of Maui, simultaneously with the Oahu examinations.

Special Requests by Mr. and Mrs. Summers
To Take Examinations on Another Date

Mr. and Mrs. Alvin Summers, real estate applicants for a salesman's license, requested that they be allowed to take their examinations on a day other than a Saturday since they are both Seventh Day Adventists.

It was moved by Mr. Magoon, seconded by Mr. Akau, and unanimously carried that they be allowed to take the examinations on Monday, June 2, 1952, in the Commission office at 8:30 a.m.

Approval of Real Estate Examinations
for Salesmen and Brokers

The rough drafts of the examinations for brokers and salesmen were presented to the Commission members by the Administrator for their review and approval. The examinations were unanimously approved as drafted by the Administrator.

Circulation of Minutes of all
Future Commission Meetings

Mr. Magoon, Chairman, suggested that in the future it would be a good idea to circulate the minutes of all Commission meetings to the members for their approval. He suggested that a copy be made for both Mr. Magoon and Mr. Akau. It was felt that it would be a good idea to have the Commission minutes indexed, if necessary.

Proposed Legislative Amendments
of the Real Estate Statutes

In order to start preparing to introduce proposed amendments of our real estate licensing statutes at the next Territorial Legislature, Mr. Magoon advised the Administrator to make a list of all such proposed amendments from time to time.

Financial Status of Commission's
Special Fund

The Administrator reported that collections and deposits for the month of April, 1952, amounted to \$584.00. The Commission's unexpended balance as of April 30, 1952 amounted to \$12,499.37. Since the Commission does not have adequate facilities to safeguard its daily collections, Mr. Magoon suggested that deposits with the Treasurer should be done on a daily basis. The Administrator was given the responsibility to personally deposit the money with the Treasurer's office if the amount of collection exceeded \$50.00 in any one day's collection; in lesser amounts, the Administrator could assign this duty to the other employee.

Complaints and Investigations

1. Ted Baker, broker - alleged subdivision violation.

The Administrator submitted a supplementary report on the alleged subdivision violation by Ted Baker, licensed broker.

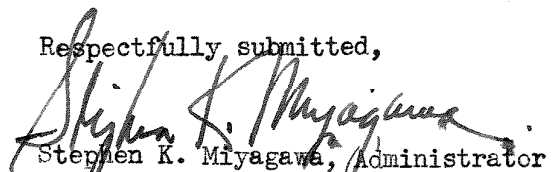
The Commission unanimously voted to consider this case closed as previously decided in the meeting of April 22, 1952 (see attached report).

2. Harry E. Bates vs. Howard B. Lyman, Agencies of Hawaii - Since Mr. and Mrs. Bates withdrew their complaint against Mr. Lyman, the Commission moved to close the case. Mr. Magoon instructed the Administrator to watch and scrutinize the activities of Agencies of Hawaii and in particular, Mr. Lyman, who is the President of Agencies of Hawaii, Ltd.
3. Wilfred T. C. Wong vs. Pastor Pablo, broker - Mr. Wong's testimony in his complaint against Mr. Pablo was presented to the Commission members for their review and action. The Administrator reported that since making his complaint in the Commission office, Mr. Wong had withdrawn his complaint. It was, therefore, moved and unanimously carried that the case be closed. However, the Administrator recommended that Mr. Pablo be reprimanded and required to exercise more diligence in closing his real estate transactions in the future. Mr. Akau moved that should a similar case be referred to the Commission, this Commission will consider a more drastic and final action against Mr. Pablo for failure to properly close any transaction within his responsibility. Mr. Magoon second the motion and was unanimously carried.
4. Joseph S. Barros vs. William P. Kropp - An investigation of this complaint revealed that since Mr. Kropp is not within the jurisdiction of this Commission, the case was closed. The action taken was approved unanimously by the Commission members.
5. Howdy Reynolds vs. Eugene K. F. Lau - Mr. Reynolds, broker, alleged Mr. Lau of unethical conduct in securing a listing contract. The Commission members unanimously approved to close the case since Mr. Reynolds withdrew his complaint.
6. Edwin Shimoda vs. Hung Wai Ching and Bill Mau, brokers - The Administrator reported that this Commission did not have jurisdiction in the matter and that Mr. Shimoda was asked to seek arbitration by the Honolulu Realty Board. This action was unanimously approved by the Commission members.

Approval of Real Estate Broker's License
of Stephen K. Miyagawa, Administrator

Mr. Stephen Miyagawa, Commission Administrator, was permitted to take a written broker's examination. After a thorough review of the examination paper, Mr. Akau moved, seconded by Mr. Magoon, and unanimously carried that a real estate broker's license be granted to Mr. Miyagawa effective immediately provided said license cannot be used until the termination of his employment with this Commission.

Respectfully submitted,


Stephen K. Miyagawa, Administrator