

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

August 26, 1953, at the offices of the Commission, Rooms 109 and 121,  
Honolulu Armory, corner of Hotel and Miller Streets, Honolulu, T. H.

Present: Eaton H. Magoon, Chairman  
J. Patton Odom, Member  
Hirotooshi Yamamoto, 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, T. H. The reading of the minutes of the previous meeting was dispensed with. The order of business and the actions taken were as follows:

ORDER OF BUSINESS

Case of William Gin Hee, Broker

At an informal hearing, Mr. Hee was questioned regarding his violation of Rule 8, Rules and Regulations of the Real Estate License Commission. This violation was discussed in the meeting of June 23, 1953, and the members voted to request Mr. Hee to come before the Commission for an explanation.

MIYAGAWA: Mr. Hee, you have been called before this meeting to explain the matter of your violation made on March 20, 1953, page 7 of the Hawaii Times, an advertisement which appeared on a property located at Kewalo Street. Would you explain why you did that?

HEE: Yes, I will try to. I wanted to put an ad in the paper, and I had told the clerk to print with my name on. When I saw the ad I was quite disturbed, and I know it was the fault of the clerk. I told specifically to have my name on. I know it was my fault in a way but I think it was the newspaper's fault that they forgot to put my name.

MAGOON: How long did the ad run?

- HEE: Just about two or three days. I noticed after the second run. It was too late so I didn't attempt to correct it. I didn't know the fellow's name, and the ad was running out anyway so I thought I will let it run anyway.
- MAGOON: You think it was a good idea to do that, knowing that it is a violation of Rule 8? Don't you think it was your duty to cancel it? Did you complain to them about it?
- HEE: No.
- MAGOON: Why didn't you?
- HEE: As I said, the ad was running out.
- MAGOON: I think you have been very, very negligent. We have a duty to perform here and you brokers should know better. How long you've been a broker?
- HEE: Since 1950.
- MAGOON: You took the examination?
- HEE: Yes, I did.
- MAGOON: You knew our rules are very rigid. We got to protect the public. Well, I think we will overlook it this time.
- ODOM: Well, in the future you will be more careful.
- MAGOON: We will excuse you this time. If you know it's a mistake, go and correct it. You should correct any violation. All right, thank you very much for coming.

The members unanimously agreed that no disciplinary action be taken against Mr. Hee at this time. However, he should be severely reprimanded and be cautioned to exercise more care in the future.

Case of Antone Martines vs. Sanford Parker, Broker

For the information of the new members, excerpts from the minutes of the meeting held on April 22, 1953 were distributed to review the above case before calling Mr. Sanford Parker for an informal hearing. (See attached copy)

Mr. Sanford Parker of Parker & Company and his former salesman,

J. Carroll Parker, were present at the hearing.

MAGOON: This is an informal hearing. You have a right to be  
(to S. Parker) represented by counsel, if you so desire. We merely  
want to find out what happened in a complaint made  
by Mr. Antone Martines in regards to a property  
that you sold out at Nakula Street, Wahiawa. You  
are the owner of the business.

S. PARKER: Yes.

MAGOON: What's the name?

S. PARKER: Parker & Company.

MAGOON: This is your broker?  
(to J.C. Parker)

J. C. PARKER: Not any more.

MAGOON: Is he a licensed salesman, duly licensed by this  
organization?

J. C. PARKER: Yes, I have been but I have put in my resignation as  
a salesman to sell life insurance.

S. PARKER: We sent in a letter to the Commission on that.

MIYAGAWA: Yes, we have a letter on file.

MAGOON: You have a broker's license?  
(to S. Parker)

S. PARKER: Yes.

MAGOON: You might tell this Board what happened when you made  
the sale - just what happened.

S. PARKER: I gave most of my files in the hands of my attorney.  
He expects it is going into court.

MAGOON: Whose your attorney?

S. PARKER: Luman Nevels.

ODOM: Honolulu or Wahiawa?

S. PARKER: Wahiawa. I gave him the details and most of my files.

We took a listing in January 1952. Mrs. Benson was living in the back with her children. She was renting the 3-bedroom house in the front. She wanted \$14,000 unfurnished and in time sold to Martines the property. Martines paid \$14,000 cash. Then one day Martines came with a letter from Sam Harris of the City & County Prosecutor's office, saying that he was in violation of the zoning laws and that he just have to quit renting the quonset hut.

- MAGOON: How long has he been receiving rent?
- S. PARKER: About one year.
- MAGOON: And no complaint?
- S. PARKER: No. The previous owners had the same condition and it had been going on.
- MAGOON: You know when the quonset hut was moved there?
- S. PARKER: In 1952 - I believe in 1949.
- MAGOON: You know when it was zoned there?
- S. PARKER: 1943.
- MAGOON: You know when the quonset was put there?
- S. PARKER: It was after the zoning.
- MAGOON: Did you tell them that two families could live on that lot?
- S. PARKER: Actually I hardly saw Mr. Martines myself. My brother, Carroll saw him.
- MAGOON:  
(to J.C. PARKER) Well, Mr. Parker, what do you know about this?
- J. C. PARKER: I think the quonset hut was put there about 1948 instead of 1949. Mr. Martines was told that.
- MAGOON: Who told?
- J. C. PARKER: Myself. We have a map in the back of the office. We went over that regarding the size of the lot, etc. He was told at that time.
- MAGOON: Did you tell him that two dwellings cannot be put there?

J. C. PARKER: He didn't seem to care. The pressure was the other source.

MAGOON: What other source?

J. C. PARKER: Mr. Martines had just returned from Japan and was interested in buying a house to live in.

MAGOON: Is the quonset hut still being rented?

J. C. PARKER: I don't know.

MIYAGAWA: I think it is vacant.

MAGOON:  
(to members) Do you want to ask any more questions?

ODOM: No, I have no questions.

MIYAGAWA: There is one question I would like to ask.

MAGOON: Go ahead.

MIYAGAWA: You made the application for rent control ceiling, was that done through your office?

S. PARKER: No. He came in and asked where the two things for the rent control were. I think Mr. Martines got the information from the rent control and then he rented them out.

MAGOON: Did you collect the rent for him?

S. PARKER: We collected once or twice. On March 15, 1952 we rented the quonset. We collected \$55.00 less \$10.00 to cover the fee.

MAGOON: Is that your usual fee?

S. PARKER: Well, actually we charge.....

MAGOON: I don't think there is any more questions. Is there anything else you want to tell, Mr. Parker?

S. PARKER: I just want to say before the Commission that I don't think there was any misrepresentation in this transaction. Mr. Martines thought he would go ahead and buy it any way.

At this time Mr. Sanford Parker and Mr. J. Carroll Parker were asked to step out of the room to give the members an opportunity to discuss the facts presented at the informal hearing. Mr. Magoon pointed out that as a member of this Commission he had experienced sitting in another hearing against Sanford Parker and J. Carroll Parker. It was a case where J. Carroll Parker was alleged to have been operating as a salesman without a license and that he wanted to pass this information on to the new members of the Commission, but that the fact that the Parkers were brought once before the Commission should not in any way influence them in rendering their decision in this case before them.

After this discussion, because of the information given by Mr. Parker that he is involved in a law suit over the sale of this particular property, the Commission unanimously agreed to defer rendering a decision in this matter until the actual disposition of the case by the courts.

The Parkers were called in again.

MAGOON: Mr. Parker, this being an informal hearing and in fairness to you and to the Martines, this Board feels it would like to withhold any action at this time. You have advised us that a court proceeding has been filed against you, so in fairness to both parties, we feel we shouldn't make any adjudication at this time or present any charges against you because it may work against you. If we found anything against you, the Martines would use that against you, and if we found anything against the Martines, you would use that against the plaintiff. Therefore, in fairness to you and Mr. Martines, we are going to let this matter stay until such a time as there has been a final adjudication by the courts.

The above decision being the unanimous feeling of the members, this case, Martines vs. Parker, will be held under advisement until a final adjudication of the courts in the law suit filed by Martines.

Case of Mary Dias vs. Francis Wong, Broker

An informal hearing was called to question Mr. Francis Wong, broker, on the matter of a complaint filed by Mrs. Mary Dias against Mr. Wong for his failure to record an Agreement of Sale on a sale of a property consummated on July 5, 1952. (See Administrator's report attached)

Mr. Wong was called before the Commission.

MAGOON: Mr. Wong, you have been asked to be here in the presence of this meeting on a little charge against you for negligence. Are you aware of the fact?

WONG: Yes.

MAGOON: How long have you been a broker?

WONG: I have been a broker since 1946 or 1947.

MAGOON: How long have you been negligent?

WONG: In this particular case, it's about 11 to 12 months.

MAGOON: Don't you think you were very negligent?

WONG: Yes, I have.

MAGOON: Now, what have you done? Did you pay her back?

WONG: No, I told her either to allow me 30 days to find a purchaser to buy her place or buy it myself.

MAGOON: How much would that be.

WONG: That would run up approximately \$1100.00.

MAGOON: What was the original price?

WONG: \$4,375.00. It's a 15,000 sq. ft. lot.

MAGOON: Where's the lot?

WONG: Maili.

ODOM: Who made the sale?

WONG: One of my friends.

MAGOON: You failed to record the Agreement of Sale and this could be very, very serious, especially with an Agreement of Sale. You realize title doesn't pass .....the title is still in the owner of the land. It's not like a deed. This document should be recorded right away. However, I think this Board is inclined to excuse you this time. I think if it is going to happen like this, we would have to suspend your license. What were you going to say, Mr. Odom?

ODOM: Mr. Wong, I think your first duty is to your clients and to all concerned to record all documents right away.

MAGOON: Nothing has happened and nobody was injured so we are reprimanding you for this. We hope that this be a lesson to you and see that it won't happen again.

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WONG: I appreciate it, Mr. Magoon. It is my negligence.

MAGOON: It's all over. Don't let it happen again.

After the hearing, the members unanimously agreed that Mr. Wong was negligent in the handling of this transaction and that a reprimand was in order for this time.

Case of Richard Higa

Mr. Richard Higa, broker, was cited for violation of Section 7741, subparagraph 8, Chapter 150, Revised Laws of Hawaii, as amended. Section 7741, subparagraph 8, reads as follows: "8. Failing within a reasonable time to account for moneys belonging to others which may be in the possession or under the control of the licensee;" The Administrator explained that Mr. Higa had deducted \$320 to pay for a sewer assessment on a sale on July 5, 1952. After Joseph Louis, complainant, filed a complaint with the Commission, Mr. Higa immediately made restitution of the sum to the City & County Treasury's office. In spite of the fact that Mr. Louis wanted to withdraw the complaint, the Commission viewed this as a violation and that Mr. Higa should be questioned for his conduct. (See Administrator's report)

Mr. Higa was called before the Commission for an informal hearing.

MIYAGAWA (to Higa): Mr. Higa, you are familiar with Joseph Louis?

HIGA: Yes.

MIYAGAWA: Mr. Louis came in to this Commission and asked about a particular transaction and supplied us with certain documents and one receipt from the City Treasurer's office. Were you the one responsible in closing the transaction between Mr. Kuwaye and Mr. Yamaguchi?

HIGA: Yes.

MIYAGAWA: In the statement, there is a sum of \$320 which you took to pay the City. When I started to investigate, that sum wasn't paid in. We feel that you had held the money for an unreasonable length of time. Tell us exactly what happened.

HIGA: It was a case where Mr. Louis asked me not to hurry to pay the assessment. In the meantime, I forgot about the thing at the time, anyway.

MAGOON: How many months after did you pay?

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HIGA: At least about 8 months.

MAGOON: You talked with Mr. Louis?

HIGA: At that time, he actually told me not to rush.

ODOM: Did he give you any reason?

HIGA: No.

ODOM: What reason did he have do you know for stating that?

HIGA: He asked me not to hurry because he had lots of time to pay that. He told me not to pay and in the meantime, I forgot to pay it.

MAGOON: \$320 - that's quite a sum of money to forget about.

HIGA: Not intentionally. At the same time, I had many things to do.

MAGOON: Have you been brought in before this Commission for a thing like this.

HIGA: No, this is the first time, and it will never happen again.

MAGOON: What do you think is reasonable time according to our rules and regulations for completing one of these deals, Mr. Higa, and holding money within your possession?

HIGA: Well, it all depends on the contract how long a time to sign.

MAGOON: Was this money held in your own account or in escrow.

HIGA: Personal account.

MAGOON: I believe you know there is a ruling about client's account? Do you have a client's account?

HIGA: I think it is in our agent's account.

MAGOON: Well, I haven't any other questions to ask. How many salesman do you have?

HIGA: Just one.

MAGOON: Who's he?

HIGA: Charlie Pang.

- MAGOON: Really, it seems to me this is a pretty serious charge, and we have suspended licenses for a year, some longer, for this very nature of action. It is a violation and we will take this under advisement.
- HIGA: Well, Mr. Magoon, it will never happen again.
- MAGOON: We will take it under advisement. If you prefer to wait, we will let you know. Will you step outside.

It was unanimously decided that Mr. Higa was found guilty of violating Section 7741, subparagraph 8, Chapter 150, Revised Laws of Hawaii, as amended, for failing, within a reasonable time, to account for moneys belonging to others although he had later paid the money over to the sewer department. The Commission voted unanimously to suspend Mr. Higa's license for 15 days, effective 9/1/53 to 9/15/53, and after the suspension, Mr. Higa will be required to report once a month to Mr. Miyagawa, Administrator, until January 1, 1954 on all the transactions he completed during each month. The Administrator was advised to write to Mr. Higa the decision of the Commission.

#### Approval of Applicants Who Took Oral Examinations

The Administrator reported that according to the instructions of the Commission, the following eight salesmen were given oral examinations and it was recommended that they be approved as qualifying to pass the salesman's examination. The Administrator's recommendation was moved by Mr. Odom, seconded by Mr. Yamamoto, and unanimously carried that the following salesmen be approved for licensure:

1. Henry H. F. Yee
2. Theodore S. Matsuo
3. George M. Tanna
4. Edward Y. Morikawa
5. David A. Muramoto
6. Richard T. Fujita
7. Steven Dusza
8. Makoto Honnaka

#### Commission Financial Report

The financial report as presented by the Administrator was unanimously approved:

Expenditures for July 1953.....	\$166.92
Fees collected for same period.....	639.00
Balance in Special Fund as of 7/31/53....	\$17,854.46

Centralization of Payrolls

A communication from the Governor's office requesting suggestions for the changeover of centralizing payrolls from all departments to the Auditing Department was read to the members. The Commission members unanimously felt this was a wise and economical move and instructed the Administrator to acknowledge receipt of the letter. No suggestions were given by the members. (See letter in Governor's folder)

Governor's Report

In accordance with Section 7734, subparagraph 6, Chapter 150, Revised Laws of Hawaii, 1945, as amended, the annual report of the Commission's activities for the fiscal period ending June 30, 1953 was prepared and read to the members by the Administrator. The members Unanimously approved the report as presented and instructed the Administrator to submit the report to the Governor's office. (see report attached)

1953 NALLO Convention Plans

Upon the strength of the Governor's oral approval to allow this Commission to send three delegates to attend the NALLO convention in Los Angeles, California, reservations at Hotel Statler for the three members have been made and confirmed by Mr. Ray D. Westcott, chairman of the reservation committee. Both Mr. Magoon and Mr. Odom are planning to remain to attend the NAREB convention also.

The Administrator reported that upon the request of the Commission members, he had approached Mr. Hiroki, Auditor of the Territory of Hawaii, regarding the legality of expanding a sum of \$300 from our Special Fund to entertain the real estate license law officials from the various states and Canada who are expected to arrive for the NALLO Post Convention trip to Hawaii in November 1953. Mr. Hiroki has written a memo to the Commission to wit: "Vouchers presented to this department for expenditures in conjunction with the convention of the Real Estate licensing officials to be held in Honolulu will be honored provided they are reasonable and proper expenses."

The members advised the Administrator to ascertain definitely from the Auditor's office what constitutes entertainment expense and whether that office would honor such bills as food, traveling expense, etc.

Mr. L. D. Ransom of the NALLO Prize Committee wrote to the Commission requesting the donation of door prizes for drawings at the convention as was done in the previous conventions. The members unanimously voted to donate Aloha shirts as door prizes. The Administrator also volunteered to donate an Aloha shirt and would see that the prizes are mailed to Mr. Ray D. Westcott, Chief Deputy, Los Angeles, California.

Reinstatement Request by Kenneth Pang

Mr. T. S. Goo, counsel for Kenneth Pang, wrote to the Commission

requesting an opportunity to appear before the Commission on behalf of his client. Mr. Goo felt that the action of this Commission was irregular and that Mr. Pang was not given due notice before the revocation of his license.

The Administrator reported that Mr. Pang was given ample time and repeated efforts to locate him were unsuccessful. He was even sent a registered mail which was returned unclaimed. It was the feeling of the members that Mr. Pang may have misinterpreted our letter of instructions, requesting him to report to this Commission every month on all his transactions. In order to clarify this point, it was decided to call Mr. Kenneth Pang and his attorney before the next Commission meeting.

#### Case of Edward T. Yamaguchi

Mr. Kinji Kanazawa, counsel for Mr. Edward T. Yamaguchi, wrote to the Commission requesting an appointment for Mr. Yamaguchi to discuss his examination results. Mr. Yamaguchi has failed to pass the broker's examination twice and is anxious to know the reasons for his failure. The members instructed the Administrator that as long as the request is in writing, he is authorized to review the examination with Mr. Yamaguchi on a set limited time.

#### Enforcement of Rule 8

It was noticed that there have been numerous violations of Rule 8, Rules and Regulations of the Real Estate License Commission. In order to curb such violations, the cooperation of the main local newspapers were enlisted to stop the use of "blind" advertising in the local papers by real estate brokers and salesmen. (See advertising attached)

The members unanimously approved the above action. Mr. Odom suggested a series of articles in the local papers on real estate would be a great educational help to the public. The Administrator volunteered to contact Mr. Ramsey of the Honolulu Star Bulletin to print such articles.

#### Honolulu Realty Board's Advertising

The matter of Honolulu Realty Board's advertising was again brought up for discussion and disposal. In reply to our letter requesting comments on their advertising, the Honolulu Realty Board replied that they are "not trying to make any disparaging comments on non-member brokers." They are merely pointing out the position of the Honolulu Realty Board in the community.

The Commission members unanimously felt that the Board has not violated any of our statutes or our rules and regulations. The Administrator was instructed to acknowledge the letter from the petitioners

and to advise them of the findings of this Commission. (See Honolulu Realty Board file for further details)

#### Attorney General's Opinions

The Administrator reported to the Commission legal opinions rendered by the Attorney General's office on the legality of substituting oral examinations in place of written examinations and whether conviction of a gambling charge is within the meaning of misdemeanor involving moral turpitude.

The Attorney General's office has ruled that under Section 7738, the examination of applicants other than through a written examination is prohibited. (See attached communication on the above opinion.)

The Attorney General's office has ruled gambling is not a crime involving moral turpitude. (See attached communication)

It was suggested by the members that in order to get this matter clarified, the Administrator was advised to call at the Attorney General's office with the record of an applicant with the greatest number of gambling charges and the record of an applicant with the least number of gambling charges to be used as examples.

#### Registration of Trade Name

Mr. David K. Bent, broker, requested permission to operate his real estate business under the trade name of "Bent Realty Company". Mr. Odom moved that his request be approved which was seconded by Mr. Yamamoto and unanimously carried.

#### Request by Brooklyn Real Estate Board

The Brooklyn Real Estate Board, Brooklyn, New York, requested a copy of our statutes and a directory of licensed real estate brokers and salesmen in the Territory of Hawaii. The members unanimously approved sending one copy, free of charge, to the Brooklyn Real Estate Board as reported by the Administrator. (See letters attached)

#### Disposal of Old Directories and Statutes

Since the publication of the new statutes-directory for 1953-54, the old copies of our statutes and directories have become obsolete. The Administrator requested permission to destroy them immediately. Mr. Odom moved, seconded by Mr. Yamamoto, and unanimously carried that the old copies be destroyed as requested by the Administrator.

#### Employment as Instructor at the University of Hawaii, Extension Division

Mr. Miyagawa, Administrator, reported to the Commission that he has

been offered a part-time employment as an instructor at the University Extension Division and would like the approval of the members before accepting it. The Civil Service office informed him that as long as he is doing after normal working hours, there is nothing to prohibit him from doing so. Upon a motion of Mr. Odom, second of Mr. Yamamoto, it was unanimously carried that the Administrator has the saction of the Commission to accept such employment. (See letter from Civil Service Department)

#### Survey of Travel Outside of the Territory

The Bureau of the Budget, Territory of Hawaii, wants every department to make a survey of travels taken outside of the Territory by officers and employees of the Territory of Hawaii during the biennium 1951-1953 and a list of all travels proposed by officers and employees for the biennium 1953-1955. (See copy of report in the Bureau of the Budget folder) Mr. Odom moved that all three members of this Commission be sent to the NALLO Convention for the fiscal period 1954-1955 and include this information in the report as anticipated travel outside of the Territory of Hawaii. Mr. Yamamoto seconded the motion and unanimously carried.

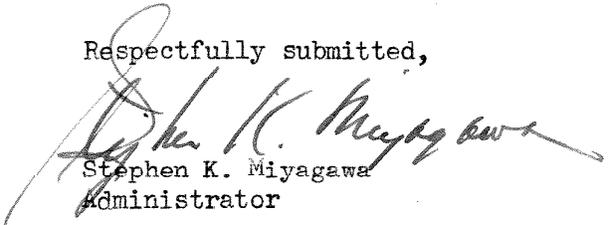
#### Letters of Commendation to Old Members

Copies of letters to Mr. Charles Kimura and Mr. John K. Akau, Jr., former members, expressing the appreciation of the Commission for their past performance in carrying out their duties, were circulated to the new members, Mr. Odom and Mr. Yamamoto, for their information. (See copies attached)

#### Adjournment

There being no further business to discuss, Mr. Odom moved to adjourn the meeting at 11:30 a.m., which was seconded by Mr. Yamamoto and was unanimously carried.

Respectfully submitted,

  
Stephen K. Miyagawa  
Administrator