

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

January 14, 1954, 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

Eaton H. Magoon's Reappointment
as Member and Chairman

It was announced by the Administrator that a letter had been received from the Governor's office reappointing Mr. Magoon as Member and Chairman of the Real Estate License Commission of the Territory of Hawaii for another two year term, effective January 1, 1954 to December 31, 1956. See letter attached.

Request to Take Salesman's
Examination on February 6, 1954

A letter received from Mr. Leo B. Siapno, applicant for a salesman's examination requesting consideration whether or not he qualified as a resident of the Territory, was presented to the Commission for its consideration. (See Siapno's file) Upon a motion duly made by Mr. Odom, seconded by Mr. Yamamoto, it was carried unanimously that Mr. Siapno has met the residence requirement and that he be approved to take the coming salesman's examination.

NALLO Dues for 1954

The NALLO (National Association of License Law Officials) dues for 1954 are due and payable, and discussion was held as to the amount this Commission pledge for the year. Previously, this Commission had pledged a total of \$75.00 (\$50.00 association dues and \$25.00 bulletin service). A recommendation was made by the Administrator that this year we pledge a total of \$100.00 (\$75.00 for association dues and \$25.00 for bulletin service). This recommendation was duly moved for acceptance by Mr. Odom, seconded by Mr. Yamamoto, and unanimously carried.

License Forfeitures for 1954

The lists of license forfeitures by salesmen and brokers for the year 1954 were presented to the members. They are as follows:

<u>Salesmen</u>	<u>Brokers</u>
Active.....54	Active.....21
Inactive.....69	Inactive..... 5
153	Brokerage..... 1
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From the lists above (see attached), the following two brokers and three salesmen made immediate reinstatement requests and paid the required fee of \$25.00:

<u>Salesmen</u>	<u>Brokers</u>
1. George Inn	1. Earl M. Thacker
2. James Quon Chinn Tom	2. Philip W. Won
3. Mervin Francis Gilliland	

Mrs. Kate B. Parks, saleswoman whose license has been forfeited since 1950, also made reinstatement request while the meeting was in progress.

Since the above petitioners have met the requirements of this Commission, Mr. Yamamoto moved, seconded by Mr. Odom, and unanimously carried that their licenses be reinstated, effective January 14, 1954.

Suggested Amendments to Our Law

Mr. Magoon, Chairman, suggested that this Commission introduce at our next legislature an amendment to our present law requiring an applicant for reinstatement to pay all back dues or to require him to take a written examination before consideration could be given for reinstatement. This suggestion was unanimously approved and the Administrator was instructed to seek legal opinion from the Attorney General's office whether this could be lawfully introduced at the next Territorial legislature.

Prices on Filing Cabinets

The Administrator reported that as authorized at the previous Commission meeting, he secured prices for purchasing additional filing cabinets for the office. After comparing prices, it was unanimously decided that the Commission purchase a special 4-drawer Super Filer legal size filing cabinet from Fisher Corporation, Ltd., quoted at \$141.30, and a cheaper filing cabinet (Art Metal) from Honolulu Paper Co., Ltd., quoted at \$115.50.

Calling Cards for Members
and Administrator

Proofs of the seal to be used on the calling cards for the members and administrator were presented for comment. It was felt advisable that this matter be deferred until Washington decide on the status of the Territory of Hawaii. Developments in the nation's capital indicate that Hawaii may become the 49th State.

Permission to Close On Saturdays

The Administrator reported that at the last Commission meeting, the members has unanimously approved the idea of closing this office on Saturdays subject to the Chairman's approval. Mr. Magoon, Chairman, approved and confirmed the recommendation to close this office on Saturdays as has been practiced by majority of the other Territorial departments.

Financial Report

The financial status of the Commission for the month of December 1953 was reported as follows:

Expenditures for December 1953.....	\$ 59.53
Fees Collected in December 1953.....	\$ 7,524.00
Balance in Special Fund as of December 31, 1953.....	\$24,463.61

Mr. Odom moved to accept the above report which was seconded by Mr. Yamamoto, and unanimously carried.

Complaints and Investigations

(a) Lillian Cargile vs. Kep C. Aluli

This case was deferred for presentation to the full membership for its opinion and disposition. A thorough study of the facts of the case brought out the opinion that Mr. Aluli's conduct in writing a letter to Mrs. McClellan, whose property was already listed exclusively with Mrs. Lillian Cargile, broker, was merely unethical and not in violation of our real estate laws. However, if Mrs. McClellan had accepted Mr. Aluli's offer and the promised was not carried out, then this matter may possibly border on misrepresentation and making false promises. It was unanimously decided that this matter be closed and the Commission inform Mrs. Cargile that Mr. Aluli's conduct was merely unethical and was not a violation of our real estate laws.

(b) Soon Do Kim vs. Richard Imada, Broker

This case was also carried over from the previous meeting in order to get the opinion from the Chairman who was absent at the meeting.

After reviewing the facts of the case, the members unanimously agreed that this complaint against Richard Imada, broker, be closed and that Mrs. Kim, complainant, be advised of the action taken by this Commission. It was, however, suggested that Mr. Imada be called before the Administrator for an informal conference to caution him that he should exercise more care in handling future real estate transactions.

(c) Case of Kenneth Pang, Broker

The Administrator reported that Mr. Pang, who is still on probation and required to report each month to this office, has called this office as instructed. He has made his report for this month and has submitted to the Administrator his bank statement for the month of December which showed a balance of \$1.05 in his client's account.

Case of Richard Higa
Informal Hearing

Mr. Richard Higa, broker, was called before the Commission for an informal hearing for questioning on the discrepancies in his client's account. The Administrator reported that a rough audit revealed an estimated shortage of about \$855.33 for the month of November 1953 and other facts showed that the shortage may have run as high as \$2,000.00. Mr. Higa was called in before the Commission to find out what he has to say about the shortages.

MAGOON: What is your name?

HIGA: Richard Higa, sir.

(Mr. Higa was sworn in by the Chairman at this time)

MAGOON: Where do you live?

HIGA: 231 Kam IV Road.

MAGOON: How old are you?

HIGA: 36 years.

MAGOON: You married?

HIGA: Yes, sir.

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MAGOON: How many children?

HIGA: Six.

MAGOON: How old is the oldest child?

HIGA: Seven years.

MAGOON: All in a row?

HIGA: Yes.

MAGOON: All boys?

HIGA: Three boys and three girls.

MAGOON: They are going to school?

HIGA: Yes.

MAGOON: Are you actively engaged in the real estate business as a broker?

HIGA: Yes.

MAGOON: You been engaged in the real estate business since when?

HIGA: 1949.

MAGOON: As a broker?

HIGA: Yes.

MAGOON: You didn't take an examination?

HIGA: No, sir.

MAGOON: Have you been studying our rules and regulations? You have one of these books?

HIGA: Yes, sir.

MAGOON: How often do you read that book?

HIGA: Every new issue comes out, Mr. Miyagawa sends it to me.

MAGOON: You got to buy these books.

HIGA: Yes, I come to buy.

MAGOON: Anyway, you have one of these books. When was the last time you read it?

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HIGA: Last time when I was suspended for 15 days.

MIYAGAWA: That was three months ago. That's the reason why he has to report to this office every month.

MAGOON: Mr. Higa, you don't have to testify if you don't want to. You can have counsel. If you don't want to answer some questions you don't have to. If you don't want to answer, we have to have a formal hearing than we will go into the case more thoroughly. If you like to answer, you are at liberty to do so. If you don't want to, noone will scold you. I want to tell you this because I don't want you to fee we are hardboiled. You understand that?

HIGA: Yes.

MAGOON: Mr. Higa, do you keep an agency account?

HIGA: Yes.

MAGOON: You keep that in the Bishop National Bank?

HIGA: Yes.

MAGOON: You still have the bank account?

HIGA: Yes.

MAGOON: How much? Is this the latest? (looking at the December bank statement)

MIYAGAWA: The latest was December.

MAGOON: Is this the December one? This is the end of December - the latest?

HIGA: Yes.

MAGOON: Have you accounted for all monies up to date? Have you accounted for all monies belcnging to others?

HIGA: Yes.

MAGOON: And prior to that time, there was a little discrepancy as to the amount?

HIGA: On that particular question, Mr. Miyagawa can explain to you better than I can.

MAGOON: Was there a discrepancy?

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HIGA: (no answer - only hesitation)

MIYAGAWA: Was there a shortage in your client's account?

HIGA: (no answer)

MAGOON: I have asked you a question - was it short or what, maybe you can explain.

HIGA: On that, I see, according to Mr. Miyagawa, it was short. Mr. Miyagawa can explain to you on that.

MAGOON: I am not asking him; I am asking you to explain. I want to know. Wasn't there a discrepancy before December 31st? Do you recall?

HIGA: On that particular December month, I don't think so.

MIYAGAWA: Was there a discrepancy in November?

HIGA: Possibly.

MAGOON: Now, did you notice that discrepancy? Who called your attention to it?

HIGA: Mr. Miyagawa.

MAGOON: Now, Mr. Higa, you realize that under our laws, you got to account for all the money in your client's account, don't you?

HIGA: Yes.

MAGOON: Mr. Miyagawa, you have checked his client's account up to date?

MIYAGAWA: Yes. He deposited on January 5th about \$2,000.00 which he borrowed.

MAGOON: I don't care where he got that.

MIYAGAWA: He brought his account up to date.

MAGOON: It is up to date?

MIYAGAWA: As far as I know, it is up to date, according to the evidence.

MAGOON: Do you want to ask some questions (to members)

ODOM: Yes, I want to ask one question. Who keeps your books?

HIGA: An accountant.

ODOM: Have you any training in bookkeeping?

HIGA: No training.

MAGOON: Mr. Higa, will you step out for a few minutes?

Mr. Higa left the room.

A conference was held among the members to decide on the sentence to mete out to Mr. Higa. From the facts presented at the hearing, Mr. Higa has violated Section 7741, subparagraph 8, Chapter 150, Revised Laws of Hawaii, 1945, as amended 1953. Mr. Odom made a motion that Mr. Higa's real estate broker's license be revoked effective January 14, 1954, which was seconded by Mr. Yamamoto and unanimously carried. Mr. Yamamoto then made another motion to reinstate Mr. Higa's salesman's license upon payment of the original fee of \$25.00 and to require him to be employed by another licensed broker effective January 14, 1954. This motion was seconded by Mr. Odom and unanimously carried. Mr. Higa will be notified to release all his salesmen, turn in his broker's license and identification card as well as his salesmen's licenses, and all pending listings will be required to be closed by brokers participating in the sales.

Mr. Higa called in before the Commission again.

MAGOON: Mr. Higa, this Board has found from the statements made by the Administrator that there was a discrepancy in your agency account. Although your agency account is now in order, the Board feels that you have violated the law and that there is nothing else this Board can do but to take action against you. It was the unanimous decision of this Board that your broker's license is revoked. The Board has, however, considered your case in view of the fact that you have a family of six children to support. We are going to try to see if you can become a better man by giving you a salesman's license. You can reinstate your salesman's license by the payment of the sum of \$25.00 which is the initial fee for a salesman's license. We feel that may be that might help you to go straight in your business. It is also suggested that you read this book (Chapter 150) once a week. You make sure you understand every word in the book. Mr. Miyagawa may ask you some questions. The Board feels it will reinstate your salesman's license so you can make a livelihood as a salesman but as a broker, your license has been revoked effective January 14, 1954.

Anything to say, Mr. Odom?

ODOM: None.

HIGA: I appreciate it very much.

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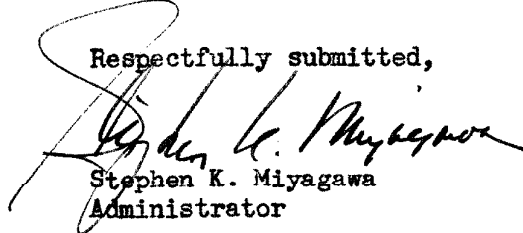
MAGOON:

You think about your wife and children. You might as well protect your children. You brought those children in this world. When you have children, you have a legal as well as a moral obligation to perform as an honest man. This Commission is only trying to help you. If you don't do that, I am afraid that you won't get very far with this Commission. That's all.

HIGA:

Thank you, sir.

Respectfully submitted,



Stephen K. Miyagawa
Administrator

SKM:etk