

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

March 16, 1954, at the office of Eaton H. Magoon, Chairman, 910 Alakea Street, Honolulu, T. H.

Present: Eaton H. Magoon, Chairman  
J. Patton Odom, Member  
Hirotooshi Yamamoto, Member  
Stephen K. Miyagawa, Administrator

A special meeting of the Real Estate License Commission of the Territory of Hawaii was called to order by Mr. Eaton H. Magoon, Chairman, at 10:20 a.m., in his office at 910 Alakea Street, Honolulu, T. H. The reading of the minutes of the previous meeting was dispensed with. The meeting was specifically called to take immediate action against Mr. Clarence T. C. Ching dba City Realty from selling certain lots in a proposed subdivision of the Salvation Army located at 21st and 22nd Avenues, Honolulu, City and County of Honolulu. The order of business and actions taken in the case were as follows:

ORDER OF BUSINESS

Commission versus  
Clarence T. C. Ching dba City Realty

The Administrator reported to the Commission that Clarence T. C. Ching dba City Realty had obtained from the public options to purchase certain described lots in the Salvation Army tract. An investigation disclosed that City Realty (1) is not the legal owner of the tract; (2) that City Realty has not filed the proposed subdivision plans with the City Planning Commission; and, therefore, has no approval in compliance with Section 6642, Chapter 127, Revised Laws of Hawaii, as amended 1949. The section is quoted as follows:

"SECTION 6642. OFFER, CONTRACT, ETC., OR SALE OF SUBDIVISION OR PART BEFORE MAP APPROVED AND RECORDED. No owner or agent of the owner of any land located within a subdivision in the city and county shall agree to sell, sell or transfer such land or any portion thereof or any interest therein until a final survey map thereof in full compliance with the provisions of this Act and the regulations adopted under the authority conferred herein, has been approved by the commission and recorded in the office of the registrar of conveyance, or of the assistant registrar of the land court in the case of registered land, and the office of the Territorial surveyer."

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Thereafter, a general discussion was held on the legality of sale and the dangers involved in permitting such practices. Permitting such operations could result in a swindle by unscrupulous persons, and even if honest and reliable licensed brokers should sell lots in a proposed subdivision, the prospective purchasers are not certain whether they will get what they have contracted for; that is, the proposed subdivision may not meet the City Planning Commission requirements and changes will be necessary to comply with the subdivision laws, thereby causing a certain amount of damages to the public.

Based on the above reason, the Commission ruled that brokers and salesmen who sell described lots in a proposed subdivision prior to the approved compliance of Section 6642 from the City Planning Commission, either final or tentative approval with bond, this Commission will charge such brokers or salesmen with violation of Section 7741, Chapter 150, Revised Laws of Hawaii 1945, as amended 1953. Furthermore, the Administrator was instructed to contact the City Realty and obtain from that office their contract (option), and a copy of the subdivision plans for study by this Commission. The Administrator was further instructed to call at the Attorney General's office, Territory of Hawaii, to ask their opinion on the legality of the sale of lots in the proposed subdivision by the City Realty and report his findings to the Commission immediately.

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The same day, the Administrator reported back to the Commission that he had contacted Mr. George Houghtailing, Director of the City Planning Commission, and Mr. Robert Fukuda, Deputy Attorney General. Mr. Houghtailing advised the Administrator that before the sale of any portion of the proposed subdivision, the subdivider or owner or agent of the owner must comply with Section 6642, Chapter 127, Revised Laws of Hawaii, as amended 1949. With the above information, the Administrator called on Mr. Robert Fukuda, Deputy Attorney General, who advised the Administrator that the City Realty was definitely in violation of not only Section 6642 but Section 7741, subparagraphs 2 and 9, and advised the Administrator to request from the Commission instructions to direct City Realty to immediately cancel all contracts and agreements on the sale of the proposed subdivision and to immediately return the deposits received on the options.

The Commission unanimously voted to instruct the Administrator to immediately contact City Realty and to request that they cancel all contracts and agreements made with prospective purchasers and to return all monies received as deposits in the sale of lots in the proposed subdivision.

Respectfully submitted,

  
Stephen K. Miyagawa  
Administrator

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