

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

September 15, 1954, at the office of Eaton H. Magoon, Chairman,  
910 Alakea Street, Honolulu, Hawaii.

Present: Eaton H. Magoon, Chairman  
J. Patton Odom, Member  
Hirotoshi 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 his office at 910 Alakea Street, Honolulu, Hawaii. 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

Reinstatement Request

Mr. Robert B. Mew has petitioned this Commission to request reinstatement of his real estate salesman's license which was forfeited on January 1, 1951 for failure to renew his license. Upon the favorable recommendation of the Administrator, Mr. Odom moved, seconded by Mr. Yamamoto, and unanimously carried that Mr. Mew's license be reinstated and a license issued to him.

Registration of Business Trade Name

Mr. Robert Y. Oda, broker, applied to the Commission to operate his real estate business under the trade name, "Island Realty Company." A verbal approval has already been granted to Mr. Oda and, therefore, Mr. Odom moved that official approval be given at this time. Motion was seconded by Mr. Yamamoto and unanimously carried.

Approval of Broker's License  
to Philip A. Voto

The Administrator reported that Mr. Philip A. Voto took the last examination for a real estate broker's license and made a borderline grade. Mr. Voto was unable to appear for an oral examination since he was away from the Territory. He was interviewed on his examination on September 10, 1954 and the Administrator recommended that Mr. Voto be granted a broker's license. A motion was made by Mr. Odom, seconded

by Mr. Yamamoto, and unanimously carried that Mr. Voto be granted a broker's license.

#### Request to Open a Branch Office

Mr. Chester K. Song, broker, requested this Commission's approval to open a branch office at 12 No. King Street, Room 16, Hotel Hocking's Building, Honolulu, T. H. Mr. Odom moved to approve Mr. Song's request to open a branch office, which was seconded by Mr. Yamamoto and unanimously carried.

The Administrator requested that the Commission establish a definite policy before permission to open a branch office be granted to any broker in the future. A review of our rules and regulations failed to mention a definite procedure to follow prior to opening a branch office other than to apply for a branch office license. The Commission members instructed the Administrator to draft a new rule incorporating the requirement that each branch office be in charge of a broker-in-charge for presentation at the next meeting.

#### Financial Report for Commission

The Commission's financial status was presented as follows as of August 31, 1954:

##### Expenditures for August 1954:

Administrator's per diem	\$280.00	
Office Expenses	101.02	
Pay Roll	<u>959.81</u>	
		\$ 1,340.83
Fees Collected for same period		363.75
Balance in Special Fund as of 8/31/54		<u>\$20,559.89</u>

Mr. Odom moved for acceptance of the above report, which was seconded by Mr. Yamamoto and unanimously carried.

#### Requisition for Office Equipment

A request for one-half dozen more chairs and a conference table was presented to the Commission for consideration. After a discussion, a motion was made by Mr. Odom to approve the purchase of six additional chairs, but the purchase of a conference table will be considered at a later date. Motion was seconded by Mr. Yamamoto and unanimously carried.

#### NALLO Convention

The Commission's request to send two delegates to attend the NALLO Convention to be held in Cleveland, Ohio, from November 3-6, 1954 was approved by Governor King on August 30, 1954. Mr. Eaton H. Magoon and Mr. J. Patton Odom, official delegates, submitted their hotel

reservations for the convention.

Mr. Odom has accepted an invitation to participate in a panel on "Advance Information to Applicants". Acceptance will be sent to Mr. William Swanson, NALLO Program Chairman, by Mr. Odom himself.

Second Mortgage Loan Companies' Problem  
in the State of California

A form letter dated August 31, 1954 was received from Mr. Ray D. Westcott, Chief Deputy, requesting this Commission's ideas and suggestions in coping with the "second mortgage loan" companies which are presenting a problem in the State of California. A discussion was held on this matter, and it appears that the Territory to date has not experienced this problem. The Administrator was instructed to inform Mr. Westcott that this Commission is unable to offer any helpful suggestions at the present time. Furthermore, the local mortgage companies are prevented by statutes to make second mortgage loans and custom and usage makes it almost impossible to secure second mortgage loans in Hawaii.

In coincidence with the above problem, a Mr. Neil Evans of Hollywood, California, wrote to this Commission, inquiring whether or not a license is required when an individual is purely negotiating a mortgage on property for a service fee. The Commission ruled that a real estate license is only required when the mortgage negotiation is incidental to the purchase, sale, or exchange of real estate by any individual, co-partnership or corporation. In addition, the person is required to get a Gross Income Tax license and register himself at the Treasurer's office of the Territory of Hawaii to meet the Territorial requirements.

Rental Charge by the Department  
of Public Works

A discussion was held whether the Department of Public Works still intends to charge rental fees for occupying office space in the Honolulu Armory. The Administrator reported that to date nothing has been done on the matter. The Commission unanimously ruled that this matter be closed and if any more statements are received, they should be marked as improper charge and returned to the Department of Public Works.

More Replies on One-Inch-Square Parcels  
of Land For Sale in the Territory

More replies have been coming in from the various NALLO officials in regard to their ideas on the matter of the proposed sale of one-square-inch parcels of land in the Territory of Hawaii. All the replies have been mimeographed and they will be compiled into a booklet for the NALLO Convention.

The Administrator reported that Mr. William B. Lyon, President of the Island Development Co., Ltd. has called several times asking for an immediate opinion on the legality of selling one-square-inch parcels of land through attorneys-in-fact appointed by the corporation. To date the Attorney General of the Territory of Hawaii has not rendered an opinion to this Commission as requested.

Upon a motion by Mr. Odom, seconded by Mr. Yamamoto, and unanimously carried, the Commission ruled that the proposed sale scheme by the Island Development Co., Ltd., was in violation of the real estate licensing statutes of the Territory of Hawaii. The Administrator was instructed to notify Mr. Lyon on the Commission's decision on the matter.

Real Estate Salesmen Advertising  
in Classified Section of Telephone Book

A question was brought up as to whether salesmen whose names appear in the classified section of the Hawaiian Telephone Directory are in violation of the real estate licensing statutes and its rules and regulations. After some discussion, the Commission ruled that since such names are purely there for information only and not for solicitation; therefore, there is no violation. The salesmen's names listed in the 1954 telephone directory are as follows:

- |                   |                    |
|-------------------|--------------------|
| 1. Tommy Larkin   | 4. John D. McCurry |
| 2. Woo Hee Lee    | 5. Esther Ome      |
| 3. Mauro Madolora | 6. Orison Pang     |

Request to Print Calling Cards  
for J. Patton Odom, Member

Mr. Odom's request to have some calling cards printed for himself was unanimously approved. The Administrator was requested to contact the printer to make the necessary arrangements.

Review of Examination Questions  
for Brokers and Salesmen

Mr. Magoon, Chairman, reported that comments have been made that our examination questions for real estate salesmen and brokers are "too legal." It was suggested that in the near future go over the Administrator, Mr. Odom and Mr. Yamamoto should meet together to/ some of the questionable examination questions.

For the coming examination which will be held on October 16, 1954, the Administrator was instructed to use the set of examinations for brokers and salesmen that was given when Mr. David K. Bent, former Commission member, was in office. This will serve as a test for comparative purposes.

Administrator's Report on Trip to  
California's Real Estate Offices

The Administrator thanked the Commission for allowing him the opportunity to go to California to study their real estate laws and the administration thereof in order that this Commission may benefit from the experience gained by the Administrator.

From time to time, the Administrator will submit to the Commission within the next month recommendations and amendments to our license laws to facilitate the administration of Chapter 150, Revised Laws of Hawaii, as amended. The first set of recommendations to expedite the carrying out of Sections 7737 and 7738, Chapter 150, Revised Laws of Hawaii, as amended, was read to the members. (see attached reports)

After a thorough discussion on the recommendations, the Commission instructed the Administrator to check further on the requirement of finger printing all applicants for a salesman's license. There was some question as to whether or not under the Territorial laws, a person can be required to be fingerprinted. In regard to one year's experience as a salesman, the Commission would like to go on record as favoring two full years of experience as a salesman before being eligible to file for a broker's license. This amendment should be presented to the next legislative session. In regard to educational requirements for all applicants, the members will try and secure the general thinking on this subject at the NALLO Convention in November.

Pending Cases

(1) Case of Antone C. Cacatian - A letter from the Circuit Court of the Fifth Circuit, advising this Commission that Mr. Antone C. Cacatian has been convicted of larceny by false pretenses, a felony, was read to the Commission. Mr. Cacatian is now in Oahu Prison.

Upon a motion made by Mr. Odom, seconded by Mr. Yamamoto, and unanimously carried, the real estate salesman's license of Mr. Cacatian was revoked under the provision of Section 7741, subparagraph 1, Chapter 150, Revised Laws of Hawaii, as amended.

(2) Case of David Chung Wo Au - The opinion rendered by the Attorney General's office was read to the members. Mr. Odom made a motion that Mr. Au has qualified under Section 7737, subsection 2, but he must requalify himself by taking a written examination for a salesman's license as provided by Section 7737, subsection 1, Chapter 150, Revised Laws of Hawaii, as amended. Mr. Yamamoto seconded the motion and was unanimously carried. (See David C. W. Au's file)

(3) Case of Froilan B. Villalba - The Commission unanimously voted to schedule another hearing for Mr. Villalba to determine his qualifications for a salesman's license as provided under Section 7737, subparagraph 2, Chapter 150, Revised Laws of Hawaii, as amended. (See Villalba's file)

(4) Case of L. Harold Whitaker - The opinion rendered by the City and County Attorney's office, transmitted to this office from the City Planning Commission, was read to the members. Since that office has refrained from rendering any opinion on Mr. Whitaker's case, the Commission unanimously decided to advise Mr. Whitaker to make a direct complaint to the City Planning Commission. The matter as far as this office is concerned will be considered closed.

(5) Case of Frank Munoz Associates - After a thorough review of this case, the Commission ruled that the complaint filed by Mr. Toshimi Ishii against Frank Munoz & Associates, Ltd., appeared to be a private matter between the complainant and the corporation in question. Mr. Ishii complained that at the time he purchased this property from Frank Munoz & Associates, Ltd., he was assured that all improvement costs relating to supplying of water within the Wai Lani Subdivision were to be assumed by the corporation and that no additional charge will be made for improvement district assessments. However, subsequent to the purchase, Mr. Ishii was informed that he will be assessed additional costs for the furnishing of water.

The Commission ruled that there appeared to be a breach of contract by this corporation; therefore, a matter beyond the jurisdiction of this Commission. Mr. Ishii was advised to seek the services of his private attorney. Case Closed.

#### New Cases

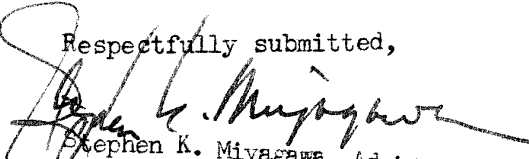
(1) Case of Juan P. Canada vs. Edward Murakami - A review of the case and the evidence secured from a conference held with Mr. Canada and Mr. Murakami revealed that there has been no violation of the real estate laws. Case closed. (see attached investigation report)

(2) Case of Gabriel Garduque, Broker - Mrs. Anne O'Neill, broker, questioned the advertisement which appeared on September 1, 1954, in the Honolulu Advertiser. An investigation of the advertisement revealed that Mr. Garduque himself owned the property and therefore there was no violation of our laws. Case closed.

(3) Case of Kenneth T. Olds, Broker - Mr. Olds advertised on September 9, 1954 in the Honolulu Star-Bulletin in violation of Section 6642 (subdivision laws of the City Planning Commission) The Commission unanimously voted to schedule a hearing to question Mr. Olds on his violation of the subdivision laws.

(4) Case of Alfred Yap vs. Harry Kimura, Broker - The complaint filed by Mr. Yap, alleging that Mr. Kimura used unethical methods to obtain his listing was reviewed. Mr. Kimura's reply on the allegations made against him were also reviewed. The Commission ruled that even though there were no violations of our laws, Mr. Kimura should be reprimanded for his conduct in obtaining the listing. (see Harry Kimura's file) Case Closed.

Respectfully submitted,

  
Stephen K. Miyagawa, Admini - - -