

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

September 29, 1954, at the office of Eaton H. Magoon, Chairman,
910 Alakea Street, Honolulu, Hawaii.

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 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

The request by Mr. George F. Nellist for reinstatement of his salesman's license, which was forfeited in January 1951, was presented to the members for consideration. The Administrator reported that a routine investigation on Mr. Nellist revealed no derogatory record against him and recommended approval for reinstatement. Mr. Odom, member, duly made a motion that Mr. Nellist be approved for reinstatement. Motion was seconded by Mr. Yamamoto and unanimously carried.

Bids on Licenses and License Cards
for Brokers and Salesmen

The following printers were asked to bid for jobs to print our 1955 license certificates for salesmen and brokers and identification cards for brokers and salesmen:

| <u>Name of Printer</u> | <u>License Certificates</u> | <u>Identification Cards</u> |
|------------------------------------|-----------------------------|-----------------------------|
| 1. Tongg Publishing Co., Ltd. | no bid | \$ 59.00 |
| 2. Printshop of Hawaii Co., Ltd. | \$192.25 | no bid |
| 3. Watkins Printery | \$193.50 | \$ 43.50 |
| 4. Advertiser Publishing Co., Ltd. | no bid | \$ 57.00 |

After a review of the quotations on both jobs, Mr. Odom moved to award the bid for printing 1500 broker's licenses and 3500 salesman's

licenses to Printshop of Hawaii for \$192.25 and to award the bid for printing the identification cards (1,000 brokers and 2,250 salesmen) to Watkins Printery for \$43.50. Motion was seconded by Mr. Yamamoto and unanimously carried.

Additional Recommendations for Changes
in Chapter 150, Rules and Regulations
and Commission Procedures

The Administrator presented for review and consideration a report on the second series of recommendations as a result of his recent trip to California to study their real estate laws. (see attached report)

Considerable discussion was held on the second item of requiring every real estate broker to furnish both the seller and the purchaser a closing statement with an accounting of all monies and property put in his care in a real estate transaction. Suggestion was made to require the brokers to make out bank deposit slips in triplicate and furnish a copy to the purchaser. On the face of the deposit slip, a notation of the name from whom the money was received should be made. This would indicate proof that the money has been received and deposited in the bank. It was finally agreed that a couple of separate forms of closing statement be worked out (one form for the purchaser and one form for the seller) and these forms be presented to the Honolulu Realty Board for its opinion and comments.

On item three, the members unanimously agreed to take the matter of establishing trust accounts at the NALLO Convention in Cleveland, Ohio. Mr. Odom stated that it would be a good idea for the Territory to have an escrow depository company.

On item four, the Commission agreed that keeping of duplicate copies of all instruments was unnecessary as evidence that there has been a proper accounting of all transactions. At any rate, the members decided to give further thought to this item.

Fingerprinting of all Applicants
for Real Estate Licenses

The Administrator reported that a letter was written to the Attorney General's office, requesting their opinion on the matter of requiring all applicants for a real estate salesman's license be fingerprinted. To date, no reply has been received. The Commission unanimously voted to discuss this matter at the next meeting.

Review of Broker's and Salesman's
Examinations and Approval Thereof

The set of examination questions which were used when David K. Bent, former member of this Commission was in office, was presented to the Commission. On a motion by Mr. Odom, a second by Mr. Yamamoto, it was unanimously approved that the same set of questions be used for the coming examinations for brokers and salesmen.

Discussion of the Type of Salesman's Calling Cards
Permitted - Example, Masaru Inafuku's Calling Card

The Commission reviewed Mr. Inafuku's business card and questioned the usage of the words "associated with" and "agent" by a real estate salesman. Such words would mislead the public to believe that Mr. Inafuku is a real estate broker. Upon a motion by Mr. Odom, a second by Mr. Yamamoto, it was unanimously carried that the Commission write him a letter to request him that he cease the use of his business cards. The Administrator was requested to work out sample name cards for a broker and a salesman for the Commission to review. (see Masaru Inafuku's card)

Letter from Ray Westcott Regarding Door
Prizes for the Cleveland Convention

The members were again reminded to get their door prizes for the NALLO convention ready for mailing as soon as possible.

Number of Applicants for
10/16/54 Examination

Thirty-four broker applicants and 81 salesman applicants have filed with the Commission to take the examinations. Mr. Robert E. Paine and Mr. Peter A. Hayashi, broker applicants from the Island of Hawaii, were declared not qualifying to take the examination as they have not met the requirements under Section 7737, subparagraph 6 which reads, "To any person as a broker unless he shall have had one year's experience as a licensed salesman in the Territory".

It was reported that Mr. John A. Goble and Mr. Wadsworth Y. H. Yee, salesman applicants, who filed their applications after the deadline, requested consideration by the Commission to take the coming real estate examination. Upon a motion by Mr. Odom, a second by Mr. Yamamoto, it was unanimously carried to accept their applications.

Two applications were received from the Island of Kauai to take the salesman examinations. Mr. Yamamoto made a motion that Elaine Kakutani be allowed to go to Kauai to conduct the examination for the Commission. Motion was seconded by Mr. Odom and unanimously carried. It was also decided that she be allowed to rent a U-Drive car so that she could inspect all the real estate offices on Friday and conduct the examination on the scheduled day, October 16, 1954.

The Administrator's request to put a legal notice in the newspaper of all applicants applying for a real estate licenses was unanimously approved after a motion by Mr. Odom and a second by Mr. Yamamoto.

Proposed Legislation
Requirement of Two Years' Experience
Before Applying for Broker's License

The Commission took a definite stand that we amend our laws to

require two full years of experience before a salesman can apply for a broker's license. Furthermore, the application must include an affidavit from the employing broker and/or brokers that said applicant had had two full years of experience as a salesman. The Administrator was advised to start working on this amendment to introduce in the next legislature.

Pending Case - Charles Ford & Associates of the West, Inc.

Since the matter of "advance fee listing racket" will be discussed at the NALLO convention, the Commission questioned the status of the brokerage, Charles Ford & Associates of the West, Inc. The Administrator was instructed to call on Mr. Charles Nafe, principal broker representing the brokerage in the Territory, to request from him in writing an up-to-date accounting of the organization's activities in the Territory, and if this is not forthcoming within a reasonable time that he be called before the Commission for an explanation. It was suggested that this matter be settled before the members left the Territory to attend the NALLO Convention in Cleveland, Ohio.

New Cases - Violation of Rule 13, Rules and Regulations of the Commission

The following brokers were cited for violation of Rule 13, Rules and Regulations of the Real Estate License Commission, for failure to notify the Commission of the change of business address until called to their attention by this office:

1. Harry Uyetake
2. Julio De Guzman
3. William Eric Danford
4. J. Mijo

The Commission considered the above violators and unanimously voted to write a reprimand letter and to request them to exercise more caution in the future. They have since complied with our request, except in the case of Mr. Mijo. The Commission voted to have the Administrator interview Mr. Mijo and have him comply with our rule and further to caution him to comply promptly with our laws in the future and to warn him that any further violations will result in a more serious action against him.

Respectfully submitted,


Stephen K. Miyagawa
Administrator