

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

May 4, 1955, 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
Robt E. Bekeart, Administrator

The regular meeting of the Real Estate License Commission of the Territory of Hawaii was called to order by Chairman Magoon, at 9:45 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 Mr. and Mrs. Mariano Tremor
versus Mauro C. Madolora, State Realty

An informal hearing was scheduled in the matter of a complaint filed with this Commission on April 27, 1955 by Mr. and Mrs. Mariano Tremor against Mauro C. Madolora, salesman in the office of State Realty, involving a proposed purchase of a property at 2032 Kapulani Street, Honolulu, T. H. The following is the transcript of the informal hearing.

Mr. William K. M. Chee and Mauro C. Madolora, broker and salesman of State Realty Company, respectively, and Mr. and Mrs. Mariano Tremor, complainants, were called before the presence of the Commission. (Mr. Bekeart, Administrator, formally introduced the above to the members)

MAGOON: Mr. Chee, you are a real estate broker?
CHEE: Yes, I am a broker.
MAGOON: Mr. Tremor -- Mr. Madolora has complained --
BEKEART: The Tremors are complaining.
MAGOON: Oh, yes, the Tremors are complaining against you, and that they paid you \$100 as a deposit on a house and then they notified you a very short time after that

they were not interested in the house and then they were told they could not get the \$100 back. That is the charge against you. This is an informal hearing; you are entitled to have counsel, if you want. You don't have to answer any questions if you don't want. We receive these complaints -- we have no other way of getting rid of this complaint unless we have you here in the presence of the Tremors. In other words, you don't have to answer any questions. The Commission will do all it can to help both the salesman as well as the complaining parties, and we will do anything we can. If there is anything wrong we will tell you. This is only an informal hearing; you can have counsel if you want.

CHFE: We waive all privileges.

MAGOON: Mr. Bekeart, have you got the complaint before you?

BEKEART: Yes, I do have a copy.

MAGOON: Next time you might have one for each member. You might conduct the hearing, Mr. Bekeart.

BEKEART: We have the statement of Mrs. Maria Tremor that was made before the Administrator of the Real Estate License Commission on April 27, and Mr. and Mrs. Tremor swear on the above statement that they are true to the best of their knowledge. For background information, I might point out that this is in regards to a house that the Tremors heard of over the radio. They contacted the broker, Mr. Villanueva, and started negotiations, and the negotiations broke down after a few days. Later on, I believe, Mr. Madolore was contacted. Mr. Madolore is a salesman with State Realty Company, and he asked them if they would like this particular house, and they said they would like to get the house and at that point he proceeded to represent them in the transaction. He took them to the house, and they explored thoroughly, and I believe on that date they gave him a deposit of \$100 and they in turn made out a standard initial payment receipt form.

MAGOON: Now, I think you might ask Mr. Tremor whose signature is that?

MRS. TREMOR: That's my signature.

MAGOON: Your husband's?

MRS. TREMOR: Yes, sir.

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MAGOON: (to Mr. Tremor) What you do?

MR. TREMOR: I work Hickam Field.

MAGOON: What type of work.

MR. TREMOR: Serve servicemen -- we serve those servicemen.

BEKEART: Where do you work -- in the cafeteria -- do you handle food in one of the masses?

MR. TREMOR: By the air base.

BEKEART: What's the name?

MR. TREMOR: Post exchange.

BEKEART: He works at Hickam Air Force Exchange Store.

MAGOON: Have you seen this before (asking about the IPP&C form)?

MR. TREMOR: Yes.

MAGOON: You signed it?

MRS. TREMOR: Yes, sir.

MAGOON: (to Mr. Tremor) You were there when the receipt was signed?

MR. TREMOR: Yes.

MAGOON: You didn't sign it?

MR. TREMOR: No.

MAGOON: The salesman didn't ask you to sign?

MR. TREMOR: I beg your pardon.

MAGOON: He didn't ask you to sign?

MR. TREMOR: No, sir.

MAGOON: You wanted to buy this house at 2032 Kapulani Street?

MRS. TREMOR: Yes, sir.

MAGOON: You gave the salesman -- this man here --

MRS. TREMOR: Yes, sir.

MAGOON: You gave \$100?

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MRS. TREMOR: I gave the \$100. We give them the \$100 to pay -- to deposit the house.

MAGOON: Is that the only money you had?

MRS. TREMOR: No, sir.

MAGOON: You had other money?

MRS. TREMOR: Yes, sir.

MAGOON: You were to pay a balance of \$3,900.

MRS. TREMOR: We have to pay him only \$4,000.

MAGOON: You buying on an Agreement of Sale?

MRS. TREMOR: Yes, sir.

MAGOON: (to Mr. Chee) Was that in the Agreement of Sale -- you got the copy?

CHEE: I have but it is so long -- I don't know whether I have in the files --

YAMAMOTO: This contract is not signed by the seller. (referring to the IPR&C form)

MAGOON: You have the original, Mr. Chee?

CHEE: All copies are with Mr. Kondo. A few days after the seller had accepted, he never returned any of the copies to my office. I have been chasing him ever since but I have not been successful.

MAGOON: Don't you think by March and April that the owner should have it signed?

CHEE: That's true.

MAGOON: You mean it doesn't make any difference?

CHEE: I can only request -- I can't twist his arms.

MAGOON: Are you the acting broker?

CHEE: Yes, I am.

MAGOON: Isn't Mr. Madolora your salesman?

CHEE: Yes, he is.

MAGOON: Don't you believe where money is concerned, you are responsible?

CHEE: I am.

MAGOON: I guess we ought to discontinue the case until the original, the signed copy -- I'd like to see it.

ODOM: May I ask a question or two?

MAGOON: Go ahead.

ODOM: I think it is in order to find out who made this deposit of \$100.

MRS. TREMOR: Yes, sir.

ODOM: You remember what time?

MRS. TREMOR: About 10 o'clock in the morning.

ODOM: You were told to sign this at that time and did you make up your mind not to go through any time later or soon after signing this?

MRS. TREMOR: Yes, sir. You see the owner did not want to sign.

ODOM: What time of day was that -- the same day?

MRS. TREMOR: No, sir.

ODOM: What time? Remember this is the 18th -- was it the 19th?

MRS. TREMOR: Uh...h... (hesitating)

MAGOON: Think about the day -- one day or two days?

MRS. TREMOR: We waited until 12 o'clock but the owner did not want to sign so they send us home.

ODOM: What day was that -- after a week or so?

MRS. TREMOR: Uh...h...h

CHEE: Is that the same day you saw me in the office?

MRS. TREMOR: No.

CHEE: You did not see me that day?

MRS. TREMOR: What you mean?

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CHEE: When you came to our office --

MRS. TREMOR: You called us on the day to pay the down payment, you said the owner did not want to sign so we went home and we were home and we were talking with my husband and we did not want to buy so I called up Mr. Madolora not to sell me any more. Mr. Madolora said no the deed is finished so I said I don't like anymore. Then Mr. Madolora said if you don't want to continue don't tell it to anyone.

ODOM: What I am trying to get is this contract shows 18th day of March on it.

MRS. TREMOR: Yes, sir.

ODOM: Can you remember how many days after signing of this that they told you that the owner won't accept it -- one day or two days?

MRS. TREMOR: That's one week.

MAGCOON: How many days?

MRS. TREMOR: About a week.

CHEE: May I question her further on that line?

MAGCOON: Go ahead.

CHEE: That day you came to my office, you remember looking at certain papers. I told you the title wasn't clear and we would have to check into the matter.

MRS. TREMOR: Yes.

CHEE: At that time did you have the money with you?

MRS. TREMOR: Yes, sir.

CHEE: \$3,000?

MRS. TREMOR: Yes.

CHEE: May I explain at this point. After Mr. Kondo informed me that the seller had accepted, Mr. Kondo immediately proceeded to draw up the Agreement of Sale.

ODOM: What day?

CHEE: I don't recall.

ODOM: One day -- two days?

CHEE: Well, I say about a week.

ODOM: That's all.

CHEE: At that time, Mr. Kondo told Mr. Madolora that the deal was ready to be closed and the Tremors were going to see Mr. Kondo. I stopped Mr. Madolora before we go any further; I wanted to examine the copy of the Agreement of Sale. We had a copy of the Agreement of Sale that was drafted. There was no lien except that there was an existing mortgage over five lots; in addition there was the matter for the wife of the seller to release her dower. Inasmuch as the deal was concerned, I felt she should not sign it until I examined the title. The contract, I noticed had been signed.

MAGOON: But the original Agreement wasn't?

CHEE: This had not been signed but the original Agreement of Sale was signed.

MAGOON: Whom did they speak with, they didn't want to go through?

CHEE: They informed Mr. Madolora.

MAGOON: When did they do it?

MRS. TREMOR: I tell you the following day.

ODOM: It's about the 19th?

MRS. TREMOR: No, no, no.

ODOM: The Agreement of Sale had not been drawn?

CHEE: At that time, I spoke with Mr. Kondo I was trying to get a statement that they did not want to go through with this deal. I called Mr. Kondo and asked him what his client felt about the whole deal. Mr. Kondo refused. As far as we are concerned, we were not interested in the \$100 deposit; we were only too happy to give them back the money. We had no intention of taking advantage of the situation.

MAGOON: Who has the money?

CHEE: We have it. I spoke with Mr. Kondo about it and he

told me that his client did not want to sue for specific performance, and furthermore, they would be willing to forget the whole matter with the forfeiture of the \$100.

MRS. TREMOR: (interrupting) Mr. Madolora was showing us plenty houses. Mr. Madolora was showing us three, four houses.

MAGOON: What's wrong with that?

MRS. TREMOR: I told him I don't want to see the houses.

MAGOON: You don't have to see -- you don't want to see -- nothing wrong with that.

MRS. TREMOR: I think it was because to show me some other houses.

MAGOON: There's nothing wrong with that. Now you don't want to go through with the house, you want your \$100 back?

MRS. TREMOR: Yes.

MAGOON: All back?

MRS. TREMOR: I am willing to pay on the papers.

MAGOON: I see. Mr. Madolora, you want to make a statement? You don't have to if you don't want -- you have anything to add -- if you do, go ahead.

MADOLORA: Everything is settled.

MAGOON: (to Mrs. Tremor) After one week you decided you don't want to go through with the deal?

MRS. TREMOR: Just after a day I called Mr. Madolora at the house right on that day.

MAGOON: What day?

MRS. TREMOR: I think March 28th, sir.

MAGOON: That was in the office?

MRS. TREMOR: Yes.

MAGOON: Not in his house? You told him in his house?

MRS. TREMOR: In his house and in his office.

MAGOON: Where he lives? You went to his house?

MRS. TREMOR: I called him. After that we went to his office and they told us about the forms, search of title and the owner did not want to sign. I called that afternoon I don't want to go through with it.

MAGOON: You want to add anything?

CHEE: It was quite obvious what happened. She had come down afterwards and I advised her not to go ahead with it because the title wasn't in order. As far as we know the people are not rich, and we are only too happy to return the money. However, we have no control over what the seller is entitled to or what Mr. Kondo decides to do. They have signed the Initial contract.

MAGOON: You went to ask for any consideration?

CHEE: You see what happened, Mr. Magoon, what we normally do we send three copies -- to the seller, broker, and one to the client. The three copies are in his control and where they are I can only take Mr. Kondo's word.

MAGOON: The Agreement of Sale had been signed?

CHEE: Mr. Kondo had Albert Lee sign it.

MAGOON: Will you folks be excused for a few minutes?

CHEE: Do you want us back; we can wait outside?

MAGOON: We want to have a talk with you afterwards.

CHEE: Certainly.

After a short conference, Mr. Chee, broker for Mr. Madolora, was called before the Commission.

MAGOON: Mr. Chee, we are not pinning down on the broker right now, but it is our suggestion -- this board -- it is unanimous that the \$100 be returned to this lady, because there is no signed contract as we know. We did not find any signed statement, and furthermore, on your own statement there was no release of dower; and, therefore, the broker was negligent and he was just as much at fault as the salesman in this charge. I am not -- we are not -- writing any letter to you on this. I think -- our opinion is that. You should have seen to it that it was signed. Of course, we all make mistakes. It is not a serious mistake. You don't have to return the money but the board feels it should be returned. We all suggest that you should return the \$100 because there is no contract.

- What's your opinion, Mr. Odom?
- ODOM: If and every contract in the Territory of Hawaii must be signed, then there must be a date and time for it. After the two days and nothing could be done, the contract after the 20th was no good.
- CHEE: We are not the agent for the seller. In this instance, there is another broker.
- MAGOON: Then you should have a copy. I would like the records show that we will postpone this case for a week, and in the meantime, we hope you can settle the difficulties. I feel I much prefer doing this than to call a formal hearing. We will extend it for one week, and if nothing can be done, just notify Mr. Bekeart.
- CHEE: Personally, I rather face the Commission in a formal hearing. Would you like to set the date?
- ODOM: This case is closed as far as the Commission is concerned.
- CHEE: Will the Commission take the initiative to contact me?
- MAGOON: The Commission will take no initiative -- you just call up Mr. Bekeart and let him know.
- CHEE: Okey. I'll call you, Mr. Bekeart. Thank you, gentlemen.

The members of the Commission unanimously decided that nothing be done in this matter until Mr. Chee contacts this office regarding the disposition of the \$100 deposit made by the Tremors.

Reinstatement Requests

Mrs. Jean M. Winsley Wittmaack and Holt M. Magoon, salesmen, requested reinstatement of their forfeited licenses. A routine investigation of the applicants revealed that there is no derogatory report against Mrs. Wittmaack, and the credit record on Mr. Magoon has been cleared. A motion was made by Mr. Yamamoto, seconded by Mr. Odom, and carried that the above requests for reinstatement be approved.

Mr. Frank Munoz requested reinstatement of his broker's license as well as the brokerage license for Maui Business Bureau, Ltd. It was noted that the communication from Maui Business Bureau, Ltd., includes in the letterhead "real estate and rentals" when actually the corporation is not licensed by this Commission at the present time. Since the Commission could not determine definitely that such advertising is a violation of our laws, it was unanimously approved that upon receipt of an additional \$25.00, the brokerage license of Maui Business Ltd., would be reinstated.

Mr. George L. H. Cooper's request for reinstatement of his broker's license was considered and unanimously approved as recommended by the Administrator. A routine investigation on Mr. Cooper reveals no unfavorable report on him.

Requests to Open Branch Offices

Request has been received from Bishop Trust Company, Ltd., to open a branch office at 2370 Kalakaua Avenue. Mr. C. J. DeVault, licensed broker, will be in complete charge of this branch office. It was moved by Mr. Yamamoto, seconded by Mr. Odom, and carried that this request be approved and a branch office license issued upon payment of a \$2.00 fee for such license.

Mr. T. F. McCormack, broker, in a letter dated April 20, 1955, requested permission to open a branch office at 46-015 Kamehameha Highway, Kaneohe, Oahu. Through some misunderstanding, the office was opened before receiving official approval from this Commission. Therefore, Mr. Odom moved for acceptance as of the date of opening, April 29, 1955. Motion was seconded by Mr. Yamamoto and carried.

Mr. Edwin J. Klein, broker, applied for a branch office license. This office will be located in the same office of Surfcrest Agency, 212 McCully Square. Mr. Klein reported that one of his sales staff, Mrs. Florence Ceigi, will be in the office. The Commission voted to approve this branch office on the condition that Mr. Klein will be personally responsible for closings of all real estate transactions. Question was brought up whether Surfcrest Agency or Mr. Ernest Johnson, who is unlicensed by this Commission, may possibly be involved in real estate participation. The Commission instructed the Administrator to investigate further on this matter and report his findings. It was the unanimous feeling of the members that if Surfcrest Agency is in real estate business, they should also file a brokerage license with a broker in charge of the office.

Case of Francis Wong

The Administrator apprised the Commissioners that on April 11, 1955 Mr. Francis Wong personally surrendered his real estate broker's license. Legal notices have been inserted both in the Honolulu Star Bulletin and the Honolulu Advertiser on April 14, 1955 to serve notice to the general public. To date Mr. Wong has not turned in the licenses of his salesmen, Walter D. Aki and Lawrence W. B. Ching. The Administrator will continue to make further attempts to contact Mr. Wong. Commissioner Odom suggested that the Commission write a letter to Mr. Wong instructing him to remove immediately all real estate signs bearing the name of Francis Wong.

Commission's Financial Report

The status of the Commission's Special Fund was reported as follows:

Balance in Special Fund as of 3/31/55.....	\$26,935.22	
Fees collected in April 1955.....	667.00	
		<u>\$27,602.22</u>
Office Expenditures.....	\$101.66	
Pay Roll.....	893.70	- <u>995.36</u>
Balance in Special Fund as of April 30, 1955.....		<u>\$26,606.86</u>

The above report was moved for acceptance, subject to audit, by Mr. Odom, seconded by Mr. Yamamoto, and carried.

Cases Investigated for Possible Violations of Rule 8, Rules and Regulations, and Cases Closed

The Administrator reported that there appears to be a high frequency of real estate ads in the newspapers by real estate salesmen and brokers, without disclosing their identity as required by Rule 8, Rules and Regulations of the Real Estate License Commission. For the information of the Commission, the following ads were checked for possible violation and in each case, the licensee concerned was selling his own property and therefore the cases have been closed as "no violation."

1. Real estate ad in Honolulu Advertiser, 4/25/55. Mr. Kenneth K. Nobuta, broker, reported that he is selling his own property. Case Closed.
2. Real Estate ad in Honolulu Star Bulletin, 4/25/55. Milton Allen, salesman for Milton Allen Co., Ltd., informed the Commission that he is advertising his own property. Case closed.
3. Real estate ad in Honolulu Star Bulletin, 4/26/55. Mr. Frank Yuen Kam, salesman, reported that he is selling his own property. Case closed.
4. Real estate ad in Honolulu Star Bulletin, 4/27/55. Mr. Robert L. Buffins, real estate broker, stated that he is selling his own property. Case closed.
5. Real estate ad in Honolulu advertiser, 5/2/55. Mr. Lawrence P. Medeiros, broker, reported that by error the ad appeared in the "real estate for sale column" instead of "for rent" column. Case closed.
6. Real estate ad in Honolulu Advertiser, 5/3/55. Mr. Richard M. Kageyama, broker, stated that the newspaper inadvertently omitted his name. Case closed.

(for newspaper ads, refer to respective files of licensees)

The disposition of the above cases was unanimously approved by the members.

Complaint by Anne O'Neill versus
William E. Miles, Broker

Mrs. O'Neill, broker, complained Mr. Miles of unethical conduct. She stated that Mr. Miles has been advertising for sale an exclusive listing registered with her office. Case has been closed upon request by Mrs. O'Neill.

Pending Cases

1. Case of Nihis versus Marian Tsue, Broker - The Administrator reported that he will contact the former Administrator, Mr. Stephen Miyagawa, for the details on the case and will present a full report to the Commission at its next meeting.

2. Case of Alice K. C. Ching versus Benjamin F. Kong, broker
The consensus of opinion among the commissioners was that this complaint is a private matter between the broker and seller. The Administrator was instructed to call up Mr. Kong and ask him to remove the branches and close the case.

3. Case of Edwin G. F. Wee - Mr. William K. M. Chee, acting broker for Edwin Wee of State Realty Company, was instructed to remove the newspaper ad "Edwin Wee, State Realty" appearing in the Honolulu Star-Bulletin on April 27, 1955. The ad appeared daily in the Honolulu Star Bulletin up to May 3, 1955. Mr. Chee admitted that this matter slipped his mind and will remove the ad immediately. Case closed.

Violation of Section 7741, Chapter 150,
Revised Laws of Hawaii, 1945, as amended

There have been a sudden appearance of newspaper ads of lots for sale in subdivisions by real estate brokers and brokerages which were investigated to be in violation of the provisions of the subdivision rules and regulations as well as the statutory authority of the City Planning Commission and Section 7741, Chapter 150, Revised Laws of Hawaii, 1945, as amended. The Administrator requested a directive from the Commission to proceed in handling such cases in the future. The following companies were cited:

1. Oahu Homes, advertised in Honolulu Advertiser 4/15/55 and Honolulu Star Bulletin 4/14/55
2. Bonded Realty Company, advertised in Honolulu Star-Bulletin 4/16/55

3. Hawaiian Trust Company - advertised in Honolulu Star-Bulletin, 4/16/55
4. Joe R. Pao, Broker - advertised in Honolulu Star-Bulletin, 4/23/55.
5. Puuloa Development Company - advertised in Honolulu Star-Bulletin, 4/20/55.

The cases of Oahu Homes, Bonded Realty Company, and Hawaiian Trust Company have been referred to the City Planning Commission for their attention and action.

The members discussed at length and took a definite stand to take appropriate action against any licensee found in violation of the above rules and regulations and statutory requirements. The Administrator was given authority to contact the broker and advise him that he has to comply with the City Planning Commission subdivision laws before advertising for sale or be cited for violation of Section 7741, Chapter 150, Revised Laws of Hawaii, as amended. It was unanimously decided to send out circular letters to all brokers regarding this regulation and to strongly caution against such violation or this Commission will be forced to take immediate disciplinary action.

American Finance, Ltd. - An ad which appeared in the Honolulu Advertiser, dated May 1, 1955, was brought to the attention of the Commission. Archie K. Wong, broker for the corporation, said that although American Finance, Ltd., is not licensed as a brokerage firm by the Real Estate License Commission, they have been advertising under the corporation on the assumption that properties owned by it outright do not come under the jurisdiction of this Commission. Mr. Wong expressed willingness to apply for a brokerage license. Case closed.

Olomana - An ad appeared in the Honolulu Star Bulletin, dated April 27, 1955, announcing the forming of a property development company known as "Olomana." It was not known clearly whether this corporation is actually dealing in real estate; therefore, the Commission instructed the Administrator to investigate further and if "Olomana" is participating in real estate contrary to our laws, they should be required to file for a brokerage license and comply with the other requirements of Chapter 150, Revised Laws of Hawaii, as amended, and its Rules and Regulations.

Case of Mr. and Mrs. Harry Kuwahara
versus Masao Rokui, broker

Upon a brief review of this complaint registered by Mr. and Mrs. Kuwahara, the Commissioners unanimously voted that the case be closed and the complainants be advised that they seek legal counsel for civil action.

Case of Miss Dale Niles
vs. Howard A. Wolfe, Broker

The Administrator presented the attached complaint from Miss Dale Niles against Howard A. Wolfe, real estate broker. The Commissioners ruled that the Agreement of Sale she signed shows no evidence of irregularity; and, therefore, this matter does not come within the jurisdiction of this Commission. The Commission advised the administrator to write to Miss Dale Niles the decision taken at this meeting. If she is seeking further remedy, Miss Niles should see her private attorney. Case closed.

Change of Date of Next Real Estate Examination

The recommended change of date for the next series of real estate examination for brokers and salesmen from May 28, 1955 to June 25, 1955 was unanimously approved. This notice will be published as a legal notice in the real estate section of both the Honolulu Advertiser and Honolulu Star-Bulletin as soon as possible.

Request for Refund of \$5.00
Application Fee by Harry C. Weiss

A letter dated April 23, 1955 which was received from Harry C. Weiss, requesting the refund of the \$5.00 application fee paid by him on October 8, 1953, was presented to the Commission for consideration. Mr. Weiss' application to take the salesman's examination was denied on October 6, 1953 on the basis that he did not meet the residence requirement of two years. According to Section 7740, Chapter 150, Revised Laws of Hawaii, 1945, as amended, refunding any fee is a discretionary power of the Commission.

Upon a motion duly made by Mr. Odom, seconded by Mr. Yamamoto, and carried, the Commission voted to approve the refund of the \$5.00 application fee to Mr. Weiss.

There being no further business, the meeting adjourned at 11:45 a.m.

Respectfully submitted,



Robert E. Bekeart
Administrator

REB:etk
Atts.