

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

August 2, 1955, at the offices of Mr. Eaton H. Magoon, Chairman,
910 Alakea Street, Honolulu, T. H.

Present: Eaton H. Magoon, Chairman
Hirotooshi Yamamoto, Member
Robt E. Bekeart, Administrator

Absent: J. Patton Odom, Member

A special meeting of the Real Estate License Commission of the Territory of hawaii was called to order by Chairman Magoon, at 11:15 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 order of business and the actions taken were as follows:

ORDER OF BUSINESS

Number of Real Estate Licensees
To Date in the Territory

The Administrator apprised the members that every week he has a report of the number of current licensees, active and inactive, in the Territory of Hawaii. The statistics as of present date are as follows:

	<u>Active</u>	<u>Inactive</u>	<u>Total</u>
Brokers	667	28	695
Salesmen	963	149	1112
Brokerages	<u>52</u>	<u>1</u>	<u>53</u>
Total	1682	178	1860

Policy Regarding Applicants Who Passed
Examination Not Paying for Licenses

The Administrator requested a definite policy from the Commission in regards to handling of applicants who have successfully passed the real estate examinations but have made no attempt to either pay the license fees or to notify this office what they propose to do with their licenses. At present, there are 26 salesman applicants who successfully passed the examination but have not picked up their licenses. Some of the examinations were taken as far back as September 16, 1952.

It was unanimously ruled by the Commissioners that the applicants be advised that until they have paid for their licenses, they are not considered as licensed real estate salesmen, and, therefore, are prohibited from participating in any real estate transactions. The Commission will give them reasonable time to pay for their licenses, and if they are unable to comply, the Real Estate License Commission has no recourse but to cancel the application.

Twilight Zone Examinees

Unanimous approval was given to the Administrator's action in passing the applicants who were graded in the "twilight zone" after a personal interview with the applicant on his weak spots. Upon a motion by Mr. Yamamoto, seconded by Mr. Magoon, and carried, the following were qualified as real estate salesmen and brokers:

Salesmen

1. Damien W. H. Ching
2. Gertrude A. Casey
3. Ralph M. H. Lee
4. Walter P. Young
5. Frances D. Munro
6. Francis K. F. Chun
7. Masakatsu Kutaka
8. Jerry M. Kotani
9. Jack Sunao Kaguni

Brokers

1. George T. Morita
2. Lino E. Juan
3. Charles E. Eggers
4. Volney F. Lacy

The Administrator explained that although he had interviewed James William Campbell, applicant in the "twilight zone" along with the rest, he cannot quite recommend him as having qualified in the examination. The Commissioners gave full authority to the Administrator to interview the sponsoring broker and see what can be done to help Mr. Campbell.

Harry Y. H. Kim, Salesman's Applicant

Mr. Kim, who took the recent examination, was also graded in the "twilight zone." In view of his police record which was overlooked at the last Commission meeting, it was presented for further scrutiny by the Commissioners. It was unanimously ruled, after a review of his police record that he has regained his civil rights, that he be interviewed by the Administrator and ascertain whether he qualifies in the examination. The Commission took a stand that in the future all derogatory records be reviewed before allowing applicants to take the examination. In Mr. Kim's case, it was suggested that it would be a good idea to interview the broker also so that Mr. Kim will receive the proper supervision.

Attorney General's Progress Report
Re: Heavy Tax Liens

The Attorney General has not as yet rendered a written opinion to our request whether a license is justified in the case where an applicant has heavy tax liens, judgments, collection letters, bankruptcy record or other credit records against him. The Administrator was able to get a verbal expression from that office that the Commission because of its inherent discretionary power has a great deal of leeway in exercising its provisions for enforcement. It must, however, bear in mind that before this Commission can deny a license, it must be based on the statutes such as felony, misdemeanor involving moral turpitude, etc. Based on bankruptcy proceedings, tax liens, unless it shows a definite recurrent pattern of recent date, the Commission has a very poor ground to deny a license. A written confirmation of the above opinion will be forthcoming from the Attorney General's office for our files.

Upon a motion by Mr. Yamamoto, seconded by Mr. Magoon, and carried, the following brokers and salesmen, whose licenses were held up pending the Attorney General's opinion, were approved as qualifying for licensure:

Salesmen

1. Warren Carson
2. Alice Cho
3. Wayne Monroe

Brokers

1. Floyd Kaneshiro
2. Erik L. Jacobsen

Tommy Larkin, Broker Applicant

The license of Tommy Larkin will continue to be held pending further investigation.

Restoration Request by Richard Higa

As requested by the Commissioners at its last meeting, the Administrator has conferred with Attorney General Sylva and Secretary Turner regarding the request by Richard Higa to restore his broker's license which was revoked by this Commission on January 14, 1954. Attorney General Sylva expressed that it is rather too early to give any sort of reply and, furthermore, he questioned whether this Commission has the power to reinstate the same license to Mr. Higa. It was, therefore, unanimously moved that nothing further be done in this request until a written opinion is received from the Office of the Attorney General.

Brokerage Application

Applications for brokerage licenses by the following corporations

were unanimously approved:

- (a) Ann Grubb, Ltd. - Ann Grubb principal broker
- (b) Rainbow Realty Company with Bernard S. Fujii as principal broker. Its former main office located at 154 Mango Street, Wahiawa, will be the branch office with Julio De Guzman, broker-in-charge. This request was also approved.

Edward Bly versus Mildred Wood

An informal hearing to have Mr. Norton McQuerry and Mrs. Mildred Wood before the Commission at this meeting was not possible. The facts of the complaint by Mr. Bly against Mrs. Wood were briefly explained to the Commissioners. The Administrator was directed to write to Mr. Bly that his complaint has been presented to the Commission and as soon as the disposition of the case is known, he will be immediately notified.

Case of Talbert C. Long

Mr. J. Patton Odom, Commission member, has filed a complaint against Mr. Long, real estate salesman in the employ of Howdy Reynolds. In answer to an ad in the paper, supposedly put out by the owner, he went to visit an open house which was on a Sunday. Upon entering the premises with another licensed broker, a Mr. Char, he found out that 2 salesmen employed by Howdy Reynolds - Talbert C. Long and Sigurd Johnson - were showing the house to the public. Mr. Odom claims that the ad was "very misleading" and constitutes violation of the real estate licensing statutes. The Administrator later found out that the ad was placed in the paper by Mr. Long, without the consent and knowledge of the owner. Mr. Reynolds was questioned whether he was aware of Mr. Long's action. He informed the Commission that at one of his regular staff meetings, Mr. Long was severely reprimanded and cautioned that it should never happen again.

It was unanimously decided that Mr. Reynolds being the broker responsible for the acts of his salesmen should be advised in writing that this Commission will not tolerate such violation and unless Mr. Reynolds can give us assurance that this will not happen again, this body will have no recourse but to take appropriate disciplinary action against Mr. Long. It was further resolved that another letter be forwarded to Mr. Long, with a copy to Mr. Reynolds, strongly reprimanding him for his violation and cautioning him that a recurrence of such violation will subject him to either a revocation or suspension of his salesman's license.

Advertising Violations

Just as a suggestion, Mr. Magoon injected at this time that in view of the above violation and allied advertising violations by licensees, that it would be a good idea to include in our next real

estate examinations questions on advertising. For instance, present several samples of real estate ads and have the examinee point out the violations or else compose a good real estate advertisement.

Case of Juan P. Canada, Broker

Further developments on the case was reported by the Administrator. Mr. Ben Leaman of Mercantile Adjustment Company, San Francisco, California, is now down here, investigating for himself whether the sale of a property at 2310 Booth Road (Tax Key 2-2-19-37) to Juan P. Canada by Mr. Dagamos, without the consent of the co-owner, Mr. Dabalos, was bona fide. As of August 1, 1955, yesterday, Mr. Leaman has reported to Mr. Bekeart, the Administrator, that in an interview with Detective Wong at Police Headquarters, Mr. Canada stated that he does not know who signed the deed as the deed was not signed in his presence and he was home sleeping at the time. He presumed that it must have been Mr. Dabalos. The general impression gained on the whole matter was that Mr. Canada's story does "not hold much water." Further development will be reported to the Commission.

The Commissioners unanimously advised the Administrator to set down in a written report the chronological sequence of this case for our records.

Bonded Realty Company

The Commission has been scrutinizing closely the subdivision violation of Bonded Realty Company since the advertisement first appeared on April 16, 1955 in the Honolulu Star Bulletin. Mr. George K. Houghtailing, in a letter dated April 26, 1955, notified this Commission that the City Planning Commission will review the advertisement, along with other similar advertisements, to determine whether these advertisements constitute a violation of the Subdivision Rules and Regulations of the City Planning Commission. To date, we have had no communication from that office. Bonded Realty Company has meantime continued to advertise up to June 26, 1955 in the manner which this Commission interprets as violation of the subdivision laws.

Chairman Magoon suggested that rather than wait for an opinion from the City Planning Commission, the Administrator was advised to take this problem with the Office of the Attorney General of the Territory of Hawaii and obtain their legal opinion before this Commission decide to take definite action in handling the case of Bonded Realty and similar advertisements. Chairman Magoon also suggested that Commissioner Yamamoto may help the Administrator in expediting an opinion from the Attorney General's office.

John G. Lipham

Excerpts from letters from Howdy Reynolds, Ted James, and Earl Thacker, brokers, were read to the Commissioners on the alleged real estate activities of Mr. Lipham before he was licensed by this Commission on July 22, 1955. Mr. Thacker, who sponsored Mr. Lipham

as the employing broker, has returned his salesman's license and identification card with the remarks that he no longer wishes to employ him because of several matters brought to his attention. The Commissioners unanimously ruled that a letter be forwarded to Mr. Lipham advising him that unless he is employed by another licensed broker, he is prevented from participating or dealing in any real estate activities. Mr. Lipham should also be informed that at this meeting certain correspondence regarding his activities were called to the attention of this Commission.

Square-Inch Sales

Mr. Magoon explained that he is asking Mr. Yamamoto to present a 10-minute speech on "Square-inch Sale Activities" at the NALLO Convention on the presumption that Governor King will allow two delegates to attend the convention. Mr. Bekeart explained that Mr. Joseph T. Frizzell, Member on the "Square-Inch Sale Committee" has been the only one who has written to this Commission thus far. The Commission's feeling on the "square-inch sale" is that it is nothing but a "gimmick" or a "get-rich scheme".

Chairman Magoon requested that the Administrator call on the Governor on behalf of the Commission to request his kind consideration in allowing two delegates to attend the NALLO Convention in New York from November 1-5, 1955, and also that if the Administrator can arrange Navy transportation to the mainland, the Commission wants him to attend the convention and stop enroute in San Francisco to study the California real estate laws under Commissioner Dean Watson of California for approximately two weeks with per diem expenses assumed by the Commission.

Tentative Date of Next Real Estate Examinations for Brokers and Salesmen

The recommended date of the next real estate examinations tentatively set for October 1, 1955 was unanimously approved by the Commissioners. It was suggested that it be announced in the papers that this would be the last examination of the year.

Staff Vacations

Permission to take annual vacations for Elaine Kakutani from August 8 to August 21, 1955 and for Joan Kato from August 23 to September 4, 1955 was unanimously approved. Chairman Magoon stated that he highly disapproved of accumulating vacation leaves. He emphasized that staff members take their vacation annually without fail.

Respectfully submitted,


Robt E. Bekeart
Administrator

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