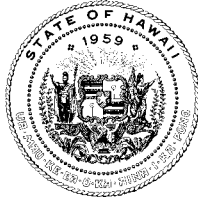


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April 11, 2001

MEMORANDUM

TO: All Interested Parties

FROM: Real Estate Commission

SUBJECT: Amendment to "Decisions on Legal and License Names and Advertising"
memorandum, dated February 25, 2000

This memo serves to supercede the February 25, 2000 memo regarding "Decisions on Legal and License Names and Advertising." In order to clarify some confusion regarding the laws regulating corporate entities and advertising, the following change will take effect immediately.

Licensee brokers that are corporations or partnerships **MUST** use the corporate terms "corporation", "limited", "incorporated", "general partnership", "limited partnership", "limited liability company", "limited liability partnership" or its abbreviation in its corporate name as mandated by corporation laws of Hawaii. (The February 25, 2000 memo allowed licensees to omit these corporate terms in their advertising.) This change clarifies the confusion in the REC action and the corporate laws. Therefore, instead of looking up the different corporate laws for the different corporate entities, this action simplifies and clarifies the laws for licensees.

For your information, advertising includes business cards, stationery, and other written documentation and memoranda, as well as advertising in any publication.

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February 25, 2000

TO: Real Estate Licensees

FROM: Real Estate Commission

SUBJECT: Decisions on Legal and License Names and Advertising

Legal Name and License Name

At its meeting on February 25, 2000, the Real Estate Commission ("Commission") made decisions on requirements regarding license names. Its decision drew a distinction between a licensee's "legal name" and "license name." While continuing to require licensees to provide their legal names, the decision allows licensees to have a license name that is different from their legal name. The license name is the name that appears on the wall certificate and pocket card.

Under its February decision, the Commission will continue to require licensees to provide their legal names on license applications and report changes to legal names, but licensees will be allowed to choose their license name subject to the following conditions:

1. Individual brokers and salespersons:
 - a. The license name must include the licensee's full surname.
 - b. The license name may include the licensee's initials, the full first name, full middle name, full legal name, or nickname.
 - c. If after being licensed an individual's surname changes, that individual may continue to use the original surname but must report the change in legal name.
2. Sole proprietor brokers:
 - a. The provisions of paragraph 1 above apply.

- b. Any trade names must be registered with the Business Registration Division and the Commission. The provisions of §467-9, HRS, regarding trade names remains in force.
3. Corporation, partnership, LLC and LLP brokers:
 - a. They must use their legal names.
 - b. Any trade names must be registered with the Business Registration Division and the Commission.
 - c. The provisions of §467-9, HRS, regarding names and trade names remains in force.

New applicants may indicate on their license applications a license name, if different from their legal name, subject to the conditions above. Current licensees who wish to change their license name should submit a change form, check the change name of entity or individual box, and include \$25. Write on the form that you are changing your license name.

Use of Names in Advertising

Also at its February 25, 2000 meeting, the Commission made decisions as to the use of names in advertising. Currently, licensees put their full license name and any trade name in all advertising. Under the Commission's February decision, licensees may advertise in the following manner:

1. Individual brokers and salespersons - either in their license name or legal name.
2. Sole proprietor brokers - either in their license name, legal name, or registered trade name.
3. Corporation, partnership, LLC, and LLP brokers - either in their legal name or registered trade name. Unless required by other laws, they may omit or abbreviate "corporation," "incorporated," "partnership," "limited," "general partnership," "LLC," or "LLP".