

EDUCATION REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Lieutenant Governor's Office as required by Section 92-7(b), Hawaii Revised Statutes.

Date: May 8, 2013

Time: Upon adjournment of the Condominium Review Committee meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convened at 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: Walter Harvey, Chair/ Broker / Honolulu Commissioner
Aileen Wada, Vice Chair / Broker / Honolulu Commissioner
Bruce Faulkner, Broker / Maui Commissioner
Scott Arakaki, Public Member/Honolulu
Rowena Cobb, Broker/Kauai
Frances Gendrano, Broker/Honolulu
Nikki T. Senter, Public / Honolulu Commissioner
Scott A. Sherley, Broker / Hawaii Island Commissioner

Neil Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Amy Endo, Real Estate Specialist
David Grupen, Real Estate Specialist
Benedyne Stone, Condominium Specialist
Cynthia Yee, Senior Condominium Specialist
Shari Wong, Deputy Attorney General
Amy Fujioka, Recording Secretary

Others: James Stone, Coldwell Banker Pacific Properties Real Estate School
Marsha Shimizu, Hawaii Association of REALTORS®
Aron Espinueva, Hawaii Association of REALTORS®
Trudy Nishihara, Coldwell Banker Pacific Properties Real Estate School
Elarka S. H. Yuen
Susan Yoshioka, Inet Realty
David Ng, Inet Realty
Carlton Choy, Inet Realty
Russ Goode, Inet Realty

Absent: Stanley Kuriyama, Broker/Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:26 a.m., at which time quorum was established.

Chair's Report: The Chair stated the Committee may move into Executive Session to consider and evaluate personal information relating to individuals applying for licensure in accordance with section 92-5(a)(1), HRS, and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with section 92-5(a)(4), HRS.

Commissioner Kuriyama was excused from the meeting. Prior notification of his non-attendance was received.

Real Estate
Specialist's Report: Minutes of Previous Meeting

Upon a motion by Commissioner Arakaki, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the April 10, 2013, Education Review Committee meeting.

Continuing Education: Applications

Course – “Stop Selling! Start Solving!”; Author/owner: Larry Kendall – The Group. Inc.; Provider: Coldwell Banker Pacific Properties Real Estate School.; Course Categories: Other – Creating Value for the Consumer; Clock Hours: 3

Ms. Trudy Nishihara was present to answer questions.

Ms. Nishihara stated that Coldwell Banker is holding a statewide convention in September and is seeking approval for this course to be presented at the convention. She explained that "Ninja Selling" is a NAR (National Association of Realtors) approved course and will be taking a segment of the Ninja course to be presented. The course would be an introduction or orientation to the basic tools used in the real estate business.

Commissioner Faulkner commented that rather than leaving the grids blank in the course materials, he would like to see the contents filled in.

Upon a motion by Commissioner Wada, seconded by Commissioner Gendrano, it was voted on and unanimously carried to take the matter into advisement.

Course – “The New Purchase Contract”; Author/owner: James M.K. Stone, Jr.; Provider: Coldwell Banker Pacific Properties Real Estate School; Course Category: Contracts; Clock Hours: 3

Mr. James Stone was present to answer questions.

This course examines key legal concepts necessary to understand real estate contracts and the new Purchase Contract form. Mr. Stone explained that the first section focuses on fundamental terms in a contract. The second section highlights important changes in the new purchase contract and examines terms such as, "Default and Contingency", which are used in the new standard form. In this section, the terms are explained and tied to specific paragraphs in the new purchasing contract. The third section will help test whether students are grasping the terms by doing group exercises. The fourth section presents suggestions that can help students with contract writing skills, avoiding errors, and managing legal risks.

The Commissioners discussed the use of "fill-in-the-blank" forms which promote "non-thinking" and "auto-populate" selections in filling out forms. Commissioner Harvey questioned whether three hours is adequate to present all the materials. Mr. Stone

answered that he is able present all materials, although many students often stay longer to ask questions for more information. Commissioner Harvey further questioned if changes were made to the forms, whether changes to the course will be made to accommodate the changes. Mr. Stone confirmed that changes will be made to the course if there are changes to the form.

Upon a motion by Commissioner Cobb, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "The New Purchase Contract"; as a 3-credit hour continuing education elective course.

Course – “Strategies of Finance: Advanced”; Author/owner: Hawai’i Association of REALTORS®; Provider: Hawai’i Association of REALTORS®; Course Category: Finance; Clock Hours: 3

Ms. Marsha Shimizu was present to answer questions.

Ms. Shimizu explained that this is the final "Strategies of Finance" course. This course will cover understanding source of loans, loan programs, and different types of loans. The course covers the importance of knowing the buyer and explaining out of pocket costs, purchasing costs, the loan process and tips for risk management.

Ms. Shimizu commented that since the course changes frequently, it is done in Power Point to make it easier to update the materials. The Commissioners discussed the positive points in using notes from a Power Point presentation for consistency of information presented.

Commissioner Faulkner questioned whether the course could incorporate which loans do not allow non-conforming use. Ms. Shimizu responded that this could be added.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve "Strategies of Finance: Advanced"; as a 3-credit hour continuing education elective course.

Course – “Solving Water Intrusion and Mold Problems”; Author/owner: Lorman Business Center, Inc.; Provider: Lorman business Center, Inc.; Course Categories: Real Estate Law, Property Management, Property Ownership and Development, and Risk Management; Clock Hours: 6

The Commissioners discussed who would be willing to pay \$359 for a 6-credit hours course on mold. Commissioner Arakaki commented that Lorman courses tend to be attorney-oriented.

Upon a motion by Commissioner Sherley, seconded by Commissioner Arakaki, it was voted on and unanimously carried to approve "Solving Water Intrusion and Mold Problems"; as a 6-credit hour continuing education elective course.

Prelicense Education Applications

Guest Lecturer – Elarka S.H. Yuen, Coldwell Banker Pacific Properties Real Estate School, Trudy Nishihara – Principal

Ms. Elarka Yuen and Ms. Trudy Nishihara were present to answer questions.

Ms. Yuen has been in the real estate industry for many years, has taught agent training, and has lectured at University of Hawaii Manoa.

Ms. Nishihara stated that Coldwell Banker will be grooming Guest Lecturers to teach Prelicense courses. The Guest Lecturers will teach various courses throughout the year and by year-end, will qualify to be Prelicense instructors.

Upon a motion by Commissioner Cobb, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve "Elarka S. H. Yuen", as a Guest Lecturer for Coldwell Banker Pacific Properties Real Estate School.

School – Inet Realty, Principal Susan Yoshioka, Salesperson and Broker Curricula, live classroom

Ms. Susan Yoshioka, Mr. Carlton Choy, Mr. David Ng and Mr. Russ Goode were present to answer questions.

Ms. Yoshioka stated that Mr. Goode will be the Chief Instructor and Mr. Ng and Mr. Choy are both in the process of getting their Instructor's Licenses.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Inet Realty"; as a Real Estate Prelicense Education School.

: Evaluation and Education Program

Copies of evaluations of the independent study course from the following prelicense schools were distributed to the Commissioners for their information:

- Seiler School of Real Estate (5)
- Coldwell Banker Pacific Properties Real Estate School (4)

Administration of Examinations:

PSI

Licensing Examination Statistics – April 2013

Examination statistics for April 2013 were distributed to the Commissioners for their information.

School Pass/Fail Rates – April 2013

School pass/fail rate statistics for April 2013 were distributed to the Commissioners for their information.

School Summary by Test Category – April 2013

Copies of the April 2013 test category summary reports, by school, were distributed to the Commissioners for their information.

Program of Work: Annual Report, Quarterly Bulletin, and School Files

Real Estate Specialist Endo reported that the May 2013 issue of the Real Estate Bulletin will be distributed shortly and the electronic version is available on the Commission's website: www.hawaii.gov/hirec.

There was a brief discussion about electronic distribution of the Real Estate Bulletin. Real Estate Specialist Grupen stated that it would be difficult to maintain a database of more than 9,000 e-mail addresses.

Ad Hoc Committee on Education (ACE)

The Ad Hoc Committee on Education met on April 18, 2013 to discuss the first draft of the 2013-2014 Core Course. There were many questions on the accuracy of the contents in the first draft.

The Core Course was written by Pro Schools. The previous writer of the course no longer works for Pro Schools. Pro Schools is currently rewriting the first draft and the Ad Hoc Committee is expecting to review a new first draft on May 23, 2013. The target date for the Core Course is for the 2nd or 3rd week of June, depending on whether Train the Trainer is completed by that time.

Executive Session: Upon a motion by Commissioner Gendrano, seconded by Commissioner Cobb, it was voted on an unanimously carried to enter into executive session pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information, relating to individuals applying for professional or vocational licenses cited in section 26-9 or both; and pursuant to Section 92-5(a)(4), HRS, "To consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities."

Upon a motion by Commissioner Gendrano, seconded by Commissioner Cobb, it was voted on and unanimously carried to move out of executive session.

Continuing Education: Applications

Course – "Stop Selling! Start Solving!"; Author/owner: Larry Kendall – The Group. Inc.; Provider: Coldwell Banker Pacific Properties Real Estate School.; Course Categories: Other – Creating Value for the Consumer; Clock Hours: 3

Upon a motion by Commissioner Gendrano, seconded by Commissioner Wada, it was voted on and unanimously carried to approve "Stop Selling! Start Solving!"; as a 3-credit hour continuing education elective course.

Next Meeting: Wednesday, May 8, 2013
Upon adjournment of the Condominium Review Committee Meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.
Kauai State Office Building
3060 Eiwa Street, Room 303 Lihue, Hawaii

Adjournment: With no further business to discuss, Chair Harvey adjourned the meeting at 10:05 a.m.

Reviewed and approved by:

/s/ Amy Endo
Amy Endo
Real Estate Specialist

May 10, 2013
Date

[X] Minutes approved as is.
[] Minutes approved with changes, see minutes of _____