

EDUCATION REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.state.hi.us/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: Wednesday, May 8, 2002

Time: 10:00 a.m.

Place: Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Present: Patricia Choi, Vice Chair
Michael Ching, Member
Alfredo Evangelista, Member
John Ohama, Member
Iris Okawa, Member
Peter Rice, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Lorene Arata, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
Shari Wong, Deputy Attorney General
Karyn Takahashi, Recording Secretary

Barbara Dew, Coldwell Banker Pacific Properties Real Estate School
Donald G. Baxter
Marsha Shimizu, Hawaii Association of REALTORS®
Suzanne King, Honolulu Board of REALTORS®
Stephanie Ripple, Honolulu Board of REALTORS®
M. Russell Goode, Hawaii Association of Real Estate Schools

Excused: Charles Aki, Chair
Mitchell Imanaka, Member

Call to Order: Vice Chair Choi called the meeting to order at 10:20 a.m., at which time quorum was established.

Chair's Report: No report presented.

Sr. Real Estate
Specialist's Report:

Announcements, Introduction, Correspondence, and Additional Distribution

Upon a motion by Commissioner Evangelista, seconded by Commissioner Rice, it was voted on and unanimously carried to add the following to the agenda:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
 - b. Applications
 - 5) Course – "Roots of Discrimination – A History of Fair Housing," Author/Owner/Provider: How2educate LLC (pending), Course Category: Real Estate Law or Fair Housing; Course Clock Hours: 3
 - 6) Provider – Realty Network Corp., Administrator: Sherrill L. Goode

The following was distributed as additional distribution:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
 - a. Administrative Issues – Maui Board of REALTORS®, Inc, Kona Board of REALTORS®, and Honolulu Board of REALTORS® written request to waive IDW requirement for Oliver Frascona

Minutes of Meetings

Upon a motion by Commissioner Ohama, seconded by Commissioner Rice, it was voted on and unanimously carried to accept the minutes of the April 9, 2002, Education Review Committee meeting as distributed.

Continuing Education: Administrative Issues

Maui Board of REALTORS®, Inc., Kona Board of REALTORS®, and Honolulu Board of REALTORS® written request to waive IDW requirement for Oliver Frascona

Senior Specialist Fujimura reported that a request was received from Judi Pasco, Maui Board of REALTORS®, Inc., on behalf of the Maui, Kona and Honolulu Boards of REALTORS®, requesting a waiver of the IDW requirement for Oliver Frascona.

Senior Specialist Fujimura reported that Mr. Frascona has a DREI designation, as well as other credentials and is a qualified instructor.

Commissioner Ohama inquired why Mr. Frascona had not completed an IDW as required. Senior Specialist Fujimura responded that an IDW was not offered.

Ms. Suzanne King, Honolulu Board of REALTORS®, stated that Mr. Frascona's caliber of teaching is one of the highest you can get and they believe that he is more than qualified. She stated that they wanted to make sure that they do not violate any rules.

Commissioner Okawa moved to recommend approval of waiving the IDW requirement for Mr. Oliver Frascona based on his extensive experience and credentials. Commissioner Ohama seconded the motion.

At this time, Mr. M. Russell Goode stated that he wanted to note for the record that the Committee was making an exception for a national instructor. He stated that he concurs with the decision; however, he stated that as a local instructor he needs to complete an IDW every two years no matter how good he is. He stated that Mr. Frascona has a great reputation as an instructor; however, the requirement is upheld for a local instructor.

Commissioner Ohama replied that the Committee did not base its recommendation on the fact that Mr. Frascona was "not local" and "from the mainland". The Committee based its decision on Mr. Frascona's teaching experience and credentials.

Vice Chair Choi stated that §16-99-104(e), Hawaii Administrative Rules, states that the Commission may require that each instructor complete an IDW—it is the Commission's discretion.

The motion was voted on and unanimously carried.

Applications

Provider – How2educate LLC, Administrator – Kathy Howe

Course – “Ethics: The Realtor® Way,” Author/Owner: Kathy Howe, Provider: How2educate LLC (pending), Course Category: Other - Ethics, Course Clock Hours: 3

Course – "Roots of Discrimination – A History of Fair Housing," Author/Owner/Provider: How2educate LLC (pending), Course Category: Real Estate Law or Fair Housing; Course Clock Hours: 3

Upon a motion by Commissioner Ching, seconded by Commissioner Ohama, it was voted on and unanimously carried to take these matters under advisement.

Course – “Finance,” Author/Owner: Hawaii Association of REALTORS®, Provider: Hawaii Association of REALTORS®, Course Category: Finance, Course Clock Hours: 6 (for 3 hours of CE credit)

Upon a motion by Commissioner Evangelista, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend approval of "Finance" as a three clock hour continuing education course under the course category Finance.

Course – “Risk Reduction: Baker’s Dozen”, Author/Owner: Oliver E. Frascona, Esq., Provider: Honolulu Board of REALTORS®, Course Category: Risk Management, Course Clock Hours: 3

Commissioner Evangelista inquired how much of the course deals with Hawaii law as the course seems very nationally oriented—is a local attorney consulted on Hawaii laws?

Suzanne King, Honolulu Board of REALTORS®, replied that prior to presenting the course, Mr. Frascona consults with Hawaii licensed individuals and tailors the class to local laws.

Upon a motion by Commissioner Evangelista, seconded by Commissioner Rice, it was unanimously carried to recommend approval of "Risk Reduction: Baker's Dozen" as a three clock hour continuing education course under the course category Risk Management with the following conditions: Hawaii specific laws must be emphasized in the course and course content should be modified to reflect Hawaii's laws, in consultation with a Hawaii-licensed attorney.

Provider – Realty Network Corp., Administrator: Sherrill L. Goode

Mr. Goode thanked the Committee for placing this application on today's agenda.

Commissioner Ohama moved to recommend approval of Realty Network Corp. as a continuing education provider. The motion was seconded by Commissioner Ching.

At this time, Commissioner Ching stated to Mr. Goode to please bring ideas forward on IDW, as he had noted concerns earlier in the meeting.

Mr. Goode stated the Commission should use its judgment and discretion regarding instructors that have experience. He noted that many IDWs have been a "joke" for many experienced instructors and they attend because they have to.

Commissioner Ohama inquired if he had any suggestions on ways to make the IDW better or other alternatives in place of an IDW.

Mr. Goode replied that an IDW that covers new technologies in teaching may be of benefit, eg. PowerPoint, computerized teaching techniques, as there will be more courses offered via the computer. The IDW needs to meet the needs of everyone.

The motion was voted on and unanimously carried.

Prelicense Education: Applications

Instructor – Donald G. Baxter – Substitute Instructor Salesperson and Broker Curriculum

Mr. Baxter was asked if he wished to have his application considered in executive session. He declined the offer.

Commissioner Rice asked Mr. Baxter how much time he anticipates spending as a substitute instructor. Mr. Baxter replied that he would substitute whenever Ms. Dew needed him.

Ms. Dew added that the reason Mr. Baxter is going this route is to gain teaching experience—eventually he would like to apply to be a prelicense instructor. Ms. Dew stated that Mr. Baxter would be working with her in the classroom—they would be a teaching team. He would then gain his teaching experience and would be able to apply for certification as a prelicense instructor.

Vice Chair Choi stated that §16-99-58(h), Hawaii Administrative Rules, states in part that a substitute teacher shall not be used for more than fifty percent of its scheduled classes. Mr. Baxter acknowledged that he was aware of that rule.

Upon a motion by Commissioner Ohama, seconded by Commissioner Ching, it was voted on and unanimously carried to recommend approval of Donald G. Baxter as a substitute instructor for the salesperson and broker curriculum, subject to the following conditions:

- 1) Based on §16-99-58(h), Hawaii Administrative Rules, ". . .A guest or substitute teacher shall not be used for more than fifty per cent of it scheduled classes."
- 2) When applicant has obtained required one year teaching experience, he may submit an application for prelicense instructor certification.

Commissioner Ching inquired if Mr. Baxter has taken and passed the instructor examination. Specialist Arata replied yes.

Administration of
Examinations:

CAT*ASI

Director's Letter

A copy of a letter dated April 8, 2002, from CAT*ASI outlining changes was distributed to the Commissioners for their information.

SEO Kimura stated that this is the latest report on what's going on at CAT*ASI and he would like to keep the Commissioners updated as the contract will be expiring next year.

Commissioner Ohama inquired if it was known when the testing system will be upgraded. Specialist Arata replied that they are still working on the upgrade. SEO Kimura added that they have nothing to present at this time.

At this time, Specialist Arata reported that there was a problem at the Waikoloa test site this past Saturday. The camera at the Waikoloa test site is inoperable; therefore, candidates that passed the exam on that day did not get their photo taken and staff is accepting applications from individuals who passed the exam that day without the required photo.

Specialist Arata added that it is not known when the camera will be repaired.

Exam Statistics

Examination statistics for the first three quarters of fiscal year 2002 was distributed to the Commissioners for their information.

Commissioner Rice noted that it was interesting to note that there were more broker exam repeat takers versus first time takers.

Mr. Goode provided his opinion on the reason for this statistic. He stated that he believes there are two reasons that this is occurring: 1) broker candidates are very busy selling real estate and not devoting time to schooling and 2) he believes that the majority of broker exam candidates are failing the Hawaii state portion of the exam as the feedback he is receiving from students is that the Hawaii portion is "very convoluted."

Mr. Goode stated that no one in the education area (eg. Instructors) reviews the exam questions and provides input. Mr. Goode added that it is his suspicion that the questions are poorly worded and involve a depth that is not required for the business.

Vice Chair Choi stated that she believes that they are not studying the State laws.

Educator's Forum: **Hawaii Association of REALTORS®** – No discussion presented.

Hawaii Chapter of Real Estate Educators Association – no discussion presented.

Hawaii Association of Real Estate Schools (HARES) – no discussion presented.

Public and Private Institutions of Higher Education – no discussion presented.

ARELLO, REEA
& Other Organizations:

Idaho REC – CE Changes, 12 to 20 hours

Information regarding Idaho's real estate continuing education program was distributed to the Commissioners for their information.

SEO Kimura noted that Idaho's CE requirements are similar to Hawaii; however, they have just made some dramatic changes to their CE program, most notably they increased their required hours from 12 hours to 20 hours.

Vice Chair Choi stated that it is interesting to see how other States are addressing CE and what advancements they are making.

Program of Work: Neighbor Island Outreach

Kauai, June 14, 2002

The next neighbor island outreach is scheduled for Friday, June 14, 2002, on the island of Kauai. The meetings will be held in Conference Rooms A, B and C in the State Office Building, located at 3060 Eiwa Street, Second Floor, Lihue, Kauai. The meeting times are as follows:

| | |
|------------|---------------------------------|
| 9:00 a.m. | Condominium Review Committee |
| 10:00 a.m. | Laws and Rules Review Committee |
| 10:30 a.m. | Education Review Committee |

Interactive Participation with Organizations

At this time, Ms. Marsha Shimizu, Hawaii Association of REALTORS®, inquired if the Commission wanted to participate in the Pacific Rim Real Estate Conference, to be held on September 5 – 6, 2002.

Commissioner Ohama stated that he has been in contact with Ms. Shimizu and stated that the Commission wants to participate, but may want to find another way to participate rather than holding Committee meetings.

Ms. Shimizu stated that this conference is different from past conferences and they will be utilizing the entire facility at the Sheraton.

Commissioner Ohama requested that Ms. Shimizu secure a room for the Commission and they will decide what to do. They may decide to hold Committee meetings the day before.

Open Forum: Mr. Goode stated he is the President of the Hawaii Association of Real Estate Schools (HARES).

Mr. Goode stated that the cost to get an ARELLO certified course approved is \$25. He noted that there are six Dearborn ARELLO certified courses that he is qualified to teach; however, if he wants to apply for certification, his fee would be \$150 each. The cost does not seem fair. He added that Betty Dower paid this fee.

Specialist Arata stated that ARELLO certifies the distance learning method; however, Ms. Dower requested approval to also teach the course via the live seminar method and is therefore, required to pay the \$150 fee. Also, the Commission required that the live seminar be tailored to Hawaii laws and rules.

Specialist Arata stated that the Commission reviews all materials and has certified many courses with conditions.

Mr. Goode stated that he did not know that all materials were being reviewed. Vice Chair Choi replied that the Commission will look in to how they can better communicate this information.

Executive Session: Upon a motion by Commissioner Ching, seconded by Commissioner Ohama, it was voted on and unanimously carried to enter into executive session, 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 Evangelista, seconded by Commissioner Ching, it was voted on and unanimously carried to move out of executive session.

Continuing Education: Applications

Provider – How2educate LLC, Administrator – Kathy Howe

Upon a motion by Commissioner Ching, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of How2educate LLC as a continuing education provider.

Course – "Ethics: The Realtor® Way," Author/Owner: Kathy Howe, Provider: How2educate LLC (pending), Course Category: Other - Ethics, Course Clock Hours: 3

Upon a motion by Commissioner Ching, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of "Ethics: The Realtor® Way" as a three clock hour continuing education course under the course category Real Estate Law.

Course – "Roots of Discrimination – A History of Fair Housing," Author/Owner/Provider: How2educate LLC (pending), Course Category: Real Estate Law or Fair Housing; Course Clock Hours: 3

Upon a motion by Commissioner Ching, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of "Roots of Discrimination – A History of Fair Housing" as a three clock hour continuing education course under the course category Fair Housing.

Program of Work: Interactive Participation with Organizations

At this time, Commissioner Ohama stated that a decision needs to be made on how the Commission will participate in HAR's Pacific Rim Real Estate Conference.

Upon a motion by Commissioner Ohama, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend changing September committee meetings to Wednesday, September 4, 2002, the day before the Pacific Rim Real Estate Conference. Meetings to take place at the conference site.

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Next Meeting: Friday, June 14, 2002
 10:30 a.m.
 Conference Rooms A, B and C
 State Office Building
 3060 Eiwa Street, Second Floor
 Lihue, Kauai

Adjournment: With no further business to discuss, Vice Chair Choi adjourned the meeting at
 11:04 a.m.

Respectfully submitted by:

/s/ Diane Choy Fujimura
Diane Choy Fujimura
Senior Real Estate Specialist

June 14, 2002
Date

[X] Minutes approved as is.
[] Minutes approved with changes.