

**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, November 13, 2002

Time: 10:00 a.m.

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

Present: John Ohama, Chair Pro Tem  
Louis Abrams, Member  
Marshall Chinen, Member  
Mitchell Imanaka, Member  
Kathleen Kagawa, Member  
Iris Okawa, Member  
Peter Rice, Member

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  
David Grupen, Condominium Specialist  
Shari Wong, Deputy Attorney General  
Karyn Takahashi, Recording Secretary

Nicki Thompson, Hawaii Association of REALTORS®  
Brian Thomas, EdVenture, Continuing Education Provider/Instructor

Excused: Patricia Choi, Chair  
Vern Yamanaka, Vice Chair

Call to Order: Chair Pro Tem Ohama called the meeting to order at 10:00 a.m., at which time quorum was established.

Chair's Report: Commission Chair Ohama appointed himself as Chair Pro Tem of today's Education Review Committee meeting.

Sr. Real Estate Specialist's Report: Minutes of Meetings

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

Continuing Education: Administrative Issues

### **Renewals/CE Requirements/2002 Salespersons Statistics**

Senior Specialist Fujimura reported that as of this morning 5,544 licensees completed their continuing education requirement and 1,146 real estate salespersons were licensed this year.

### Applications

### **2003-2004 Continuing Education Providers and Courses Ratification List**

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval of the following registrations/certifications:

<u>Registration/Certification</u>	<u>Effective Date</u>
<b>Provider(s)</b>	
Honolulu Board of REALTORS® (Administrator: Suzanne K. King)	January 1, 2003
Abe Lee Seminars (Administrator: Abraham W.H. Lee)	January 1, 2003
Duplanty School of Real Estate (Administrator: Gretchen Duplanty)	January 1, 2003
<b>Course(s)</b>	
"Computers, Internet & the Licensee"	January 1, 2003
"CRATS, CRUTS & FLPS: An Alternative Way to Own & Sell Real Estate"	January 1, 2003
"Developing Small Properties"	January 1, 2003
"Escrow, Title & Appraisals"	January 1, 2003
"HUD, VA, (Non) Judicial Foreclosures"	January 1, 2003
"Mediation, Arbitration, Litigation"	January 1, 2003
"Permits, Permits & More Permits: Researching Building Permits and 25+ Other Permits Handbook"	January 1, 2003
"Sticks, Bricks & Steel Understanding Plans & Construction Methods"	January 1, 2003
"Surveys, Termites & Home Inspections"	January 1, 2003
"The Condominium development Process"	January 1, 2003
"Understanding Contracts Part I"	January 1, 2003
"Understanding Contracts Part II"	January 1, 2003
"Understanding Contracts Part III"	January 1, 2003
"Understanding the Land Use Ordinance: C & C Honolulu"	January 1, 2003
"Understanding Vacation Ownership/Timeshare"	January 1, 2003
"Wills, Trusts and Real Estate"	January 1, 2003
"Zoning-Issues, Problems, Questions, Answers" (Owner/Author: Abe Lee)	January 1, 2003

"Commercial Real Estate Sales and Leasing" (Owner/Author: Gino L. Gabrio)	January 1, 2003
"Red Flags Property Inspection Guide"	January 1, 2003
"Real Estate Finance Today"	January 1, 2003
"Environmental Issues in Your Real Estate Practice" (ARELLO Certified Course/Abe Lee)	January 1, 2003
"Advanced Property Management" (Paul Dold, Esq./Duplanty School of Real Estate)	January 1, 2003
"Condominium Laws and Issues"	January 1, 2003
"How to Manage Residential Property"	January 1, 2003
"Residential Property Management: Laws and Rules"	January 1, 2003
"Residential Sales Contracts"	January 1, 2003
"Risk Reduction When Listing" (Gretchen Duplanty/Duplanty School of Real Estate)	January 1, 2003

Request on Core Course – Brian Thomas

Mr. Thomas stated that the primary reason that he has not been teaching much this biennium is because he has been selling real estate. However, just recently he instructed two sessions of the four hour core course. He stated that teaching the four hour course is grueling and trying to keep the students excited for four hours taxed the students as well as himself.

Mr. Thomas reported that he is teaching law/SWAT changes that occurred two years ago and a lot of the students didn't know of these changes. He suggested that cutting down the course to two hours every two years would better serve licensees, which in turn would better serve consumers. Mr. Thomas stated that be it a Commission-created or provider-created approved core course. The two-hour course gives providers the opportunity to put on a two hour core course with an elective course.

Chair Pro Tem Ohama stated that he personally has also heard from other instructors that it is grueling to teach for four hours. He stated that he would love to see a legislative update every year, but the logistics involved make it difficult to get done on a timely basis. Chair Pro Tem Ohama added that Commissioner Yamanaka is working on making the core course better and that Mr. Thomas should speak with him.

Chair Pro Tem Ohama continued and stated that he personally feels a legislative update every year would be more beneficial as he sees big legislative changes in the future; however, there is no mechanism in place at this time to get a course out every year.

Mr. Thomas inquired if there was anything prohibiting a provider from creating a two hour core course. Chair Pro Tem Ohama replied that the rules state that a continuing education course must be a minimum of three hours.

At this time, SEO Kimura stated that it would take at least two years to amend the rule. Another for a change would be through a legislative bill to override the rule. He added that the deadline to introduce administrative bills has passed. SEO Kimura stated that in his conversations with Mr. Thomas, he is under the impression that Mr. Thomas is willing to propose a bill but does not want to do it if the Commission is not in support of such a bill.

Commissioner Imanaka stated that he agrees that some classes are too long. He questioned if Mr. Thomas' is stating that if a provider presented a two-hour a year core course, would this preclude someone from taking four hours the second year? In his experience, people tend to do "all dayers"—take all 10 hours in one day.

Mr. Thomas responded that he finds that those licensees who are more oriented to professionalism may be those who will take it in the first half of the biennium—eliminating the crunch at the end. He added that it is easier to put together a more exciting presentation for two hours rather than four hours.

SEO Kimura stated that there is a provision in Chapter 467, Hawaii Revised Statutes, that states the principal broker must ensure that all associated real estate licensees are provided information and training on the latest amendments to real estate licensing laws and rules as well as other related laws and rules. If this is not occurring, it may be a possible violation by the principal broker.

Mr. Thomas stated that the Hawaii Association of REALTORS® is a great disseminator of current information; however, not everyone attends Hawaii Association of REALTORS® functions.

SEO Kimura stated that the Commission sets the Commission's core course; however, Mr. Thomas wants the opportunity to provide the two hour a year core course to interested parties. The four hour core course would still be available.

Commissioner Imanaka stated that a way to make this happen now is a "creative reading" of the rule—essentially it would be one four hour course taught within the applicable biennium.

Chair Pro Tem Ohama stated that basically, everyone is in favor of the general concept.

Commissioner Rice stated that allowing people to take all ten hours of continuing education in one day defeats the purpose of Mr. Thomas' proposal.

Commissioner Imanaka inquired if Mr. Thomas would be in favor of a prohibition on attending more than one class a day. Mr. Thomas replied no—that is not the market.

At this time, Chair Pro Tem Ohama stated that the best course of action is for Mr. Thomas to discuss his proposal with Commissioners Choi and Yamanaka, and possibly Marsha Shimizu, Hawaii Association of REALTORS®, and come back with recommendations. SEO Kimura stated that Chair Pro Tem Ohama should inform Commissioners Choi and Yamanaka that Mr. Thomas will contact them.

Ms. Nicki Thompson, Hawaii Association of REALTORS®, inquired if it is possible for this to take effect next year. SEO Kimura stated that it is dependent on the determination of the Deputy Attorney General to see if the rule needs to be amended, etc.

It was decided to defer discussion of Mr. Thomas' request for a core course to be taught in two, two-hour segments, one during the first year of the biennium and the second during the second year of the biennium, for four continuing education

credit hours total, as there is a question regarding interpretation of §16-99-100(6), Hawaii Administrative Rules, to mean that one course may be taught over a two-year period for the already established amount of credits.

Prelicense Education: Administrative Issues

**Seiler School of Real Estate Independent Study Course Evaluation Forms (4)**

Four evaluations were distributed to the Commissioners for their information.

**Vitousek School of Real Estate – Independent Study Course Evaluation Form (1)**

One evaluation was distributed to the Commissioners for their information.

Applications

**2003-2004 Prelicensing Education Schools and Instructors Ratification List**

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval of the following registrations/certifications:

<u>Registration/Certification</u>	<u>Effective Date</u>
<b>School(s)</b>	
Maui Community College-VITEC (Principal: Dawn G. Okazaki)	January 1, 2003
<b>Instructor(s)</b>	
Jon Hudson (Salesperson and Broker Curriculum)	January 1, 2003
Paige B. Vitousek (Salesperson and Broker Curriculum)	January 1, 2003
Abraham W.H. Lee (Salesperson and Broker Curriculum)	January 1, 2003

**Prelicense School – Hudson Real Estate School, Principal: Jon Hudson, effective date January 1, 2003**

Senior Specialist Fujimura reported that in the recent past she has had discussions along with correspondence with Mr. Hudson in his capacity as a prelicense instructor. One of the main issues was if Mr. Hudson was providing up-to-date information in his classes; however, she noted that this application is ok. She added that it appears that he was using outdated information and not distributing the candidate handbooks.

Specialist Arata stated that this is a concern as Mr. Hudson is applying as a school and will be the principal and responsible for the entire operation.

Commissioner Imanaka suggested sending Mr. Hudson a strong letter. Senior Specialist Fujimura responded that he has been sent letters putting him on notice of his possible violations.

Commissioner Imanaka inquired when these transgressions occurred. Senior Specialist Fujimura they come to light within the past three months.

Commissioner Imanaka questioned if the transgressions were extensive and if the misinformation is serious. Senior Specialist Fujimura gave examples— Mr. Hudson was informing students that a GRI designation is equal to six months broker experience, which is incorrect; he was informing students that home occupation is only allowed on Oahu and Kauai, which is incorrect; and he was not distributing the candidate handbooks.

Upon a motion by Commissioner Imanaka, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend deferring decision making on Hudson Real Estate School's prelicense school application and request Mr. Hudson's appearance at the next Education Review Committee meeting.

Administration of  
Examinations:

Promissor

**National Job Analysis Process**

A copy of a flowchart of Promissor's national job analysis process was distributed to the Commissioners for their information.

ARELLO Examination Certification Program

**Program Highlights**

A copy of ARELLO's examination certification program highlights was distributed to the Commissioners for their information.

**RFP Recommendations**

A copy of ARELLO's recommendations on improving the RFP process was distributed to the Commissioners for their information.

At this time, SEO Kimura reported the contract with Promissor will be expiring next year and he wants to get a move on the new contract and start thinking about the RFP.

SEO Kimura stated that the exam process starts with a national job analysis, which is normally conducted by the exam company, followed with curriculum, then item writing, and certification of the examination.

SEO Kimura stated that the real estate appraiser program and insurance division have contracts with Promissor and they would need to consider how the Commission's choice of exam company would impact their programs. He also stated that a new administration may mean a new RFP process.

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.

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

**October 2002 issue of *Bulletin* distributed**

Senior Specialist Fujimura reported that the October issue of *Bulletin* has been distributed.

**November 2002 issue of *School Files* distributed**

Senior Specialist Fujimura reported that the November issue of *School Files* has been distributed.

**Bids for *Bulletin* Publication/Mailing – Summary**

Senior Specialist Fujimura reported that specifications for bulletin printing and mailing – total of four issues – went out for proposal. Bids from two vendors were under \$25,000 – Pacific Printing and Publishing at \$22,085 and Service Printers Inc. at \$24,348.44. Bids were also received from Pioneer Ventures Inc. dba Fisher and Pioneer Printer, Hagadone Printing Co. and Cardinal Mailing Services, Inc. A bid request was submitted to the Department of Public Safety Hawaii Correctional Industries, but no response was received by the deadline.

Upon a motion by Commissioner Rice, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval of the agreement for the printing of the Real Estate Bulletin with Pacific Printing and Publishing.

Neighbor Island Outreach

The next neighbor island outreach is scheduled for Friday, January 10, 2003, on the island of Maui.

Interactive Participation with Organizations – Report on “Indoor Air Hawaii 2002” Conference

A report on the “Indoor Air Hawaii 2002” Conference held on October 1 and 2, 2002, sponsored by the Department of Health Noise, Radiation and Indoor Air Quality Branch, was distributed to the Commissioners for their information.

Senior Specialist Fujimura reported that it was a two day seminar with knowledgeable speakers from the mainland. She recommended covering this subject in a future Instructor’s Development Workshop.

Instructor’s Development Workshop – Report on “Technology for Teachers Workshop”

A report on the “Technology for Teachers Workshop” held on October 14, 2002, sponsored by the Hawaii Association of REALTORS®, was distributed to the Commissioners for their information.

Real Estate Seminars – Extension of Hawaii Association of REALTORS®  
Contract

Senior Specialist Fujimura reported that in 1993 the Commission entered into an agreement with the Hawaii Association of REALTORS® to provide educational services such as Instructor's Development Workshops and seminars. This agreement may be extended for two years with written notice to the Hawaii Association of REALTORS® before December 31 of each even-numbered year.

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend approval to renew the contract of the Hawaii Association of REALTORS® as consultant for the Real Estate Commission's program of work for an additional two (2) years.

Real Estate Specialists' Office for the Day – Schedule

A copy of the Real Estate and Condominium Specialists' office for the day schedule was distributed to the Commissioners for their information.

Special Issues:

Recommendations on Education – Kathy Howe

Senior Specialist Fujimura reported that Ms. Howe was invited to attend today's meeting.

A copy of Ms. Howe's e-mail outlining her concerns about continuing education and a copy of her newsletter was distributed to the Commissioners.

Senior Specialist Fujimura reported that Ms. Howe is informing her students that the "HIREC no longer requires you turn in the Education Certificates." She has purchased certificates but is not issuing the certificates to students; thereby, licensees are not receiving their continuing education credits. She added that Ms. Howe has submitted several course offerings for the month of November; however, those offerings are not being processed until Ms. Howe complies with the provider requirements.

Ms. Thompson, Hawaii Association of REALTORS®, inquired if this was a one provider issue. Senior Specialist Fujimura responded yes. SEO Kimura added that if other providers share her concern we would like to know.

At this time, SEO Kimura addressed Ms. Howe's concerns. Regarding the 14-day notice that must be given prior to offering a course, SEO Kimura stated that the 14 day notice is so that the course can comply with the law. Currently, instructors are certified via the provider and if there is a discrepancy, there is the 14-day window to rectify the problem. Also, at one time, there was a peer review panel and the 14-day window was necessary to make sure a member of the panel will be able to attend the course. Lastly, the course is placed on the Commission's education calendar, which is also included on the website. The Commission staff receives numerous requests via telephone, fax, email, walk-ins as to the lineup of CE courses, times, dates, providers, instructor and course content.

Regarding the issuance of continuing education certificates—SEO Kimura stated that Ms. Howe may feel it not necessary to issue the certificates; however, it is needed as back-up records to the computer record keeping system. The certificates have resolved problems of computer records of both the provider and the Commission. He noted that some licensees cannot remember what courses they have already taken and use the certificates as a record; certificates are



needed for license restoration candidates or for licensees fulfilling disciplinary action requirements; there may be a computer failure; and once, there was a theft whereby a provider's briefcase containing the computer diskettes was stolen and information had to be retrieved via the issued certificates. Any late renewals require submission of certificates. Principal brokers review the certificates to ensure compliance with Section 467-1.6(6) and (9), HRS.

SEO Kimura added that the disk or electronic submission is needed to download the information into our database. He noted that the program has been improved and is more user-friendly.

Regarding the \$1.00 cost of each certificate—SEO Kimura stated that staff has been working on keeping the cost of certificate printing at a minimum and is presently studying printing certificates in-house to maintain the minimal \$1.00 a certificate cost. The \$1.00 includes the cost of paper, printing, security measures, duplicates, staff time processing and handling problems, etc.

Ms. Thompson stated that the Hawaii Association of REALTORS® has not been able to look at the documentation, but noted that she is concerned with how many students/licensees may be involved. Senior Specialist Fujimura noted that at this time it is a small number of students; however, a call from a concerned student/licensee has already been received.

Mr. Thomas noted that some principal brokers require that licensees turn in their certificates to them. Mr. Thomas added that he was a first-time provider and staff was very good in helping him and hand-held him through the process.

SEO Kimura stated that he has discussed these issues with some providers and finds that it is not a problem. They understand the reasoning behind the administrative requirements and have learned to work with it. He sees that Ms. Howe may be the only provider with these issues/complaints. He stated that staff will continue to work with her; however, if these problems cannot be resolved, the licensees affected by her actions may be encouraged to file a complaint with the Regulated Industries Complaints Office.

Chair Pro Tem Ohama stated Ms. Howe's problems could have been addressed earlier, but she is bringing them up now because she is in a crunch. He stated that the Commission welcomes suggestions on how to improve the system and she has had every opportunity to send in recommendations, but she only does so now—at the last minute.

Chair Pro Tem Ohama stated that if there were complaints across-the-board he could see taking action. He is suggesting that the Commission send Ms. Howe a letter informing her that she has had various opportunities to voice her concerns to the Commission but instead she has chosen to wait until the last minute and her actions are penalizing her students.

Commissioner Rice asked if Ms. Howe had a past history of non-compliance or if these events had occurred only recently. Senior Specialist Fujimura stated that Ms. Howe was certified as a provider in May 2002. Ms. Howe has taught prior continuing education classes and only recently has stated that she will not issue course completion certificates. Senior Specialist Fujimura added that Ms. Howe has recently issued certificates in response to a letter from staff, but has submitted the information in her own format, which is not appropriate for the staff to download the information into the database.

Commissioner Rice stated that when Ms. Howe was approved as a provider she agreed to follow the rules. Senior Specialist Fujimura replied that Ms. Howe was originally sent instructions on submitting information when she was approved as a provider. The Commission has put her on notice that she is in violation of the laws and rules. She was given time to comply but has not done so. Licensees who have taken courses from Ms. Howe are affected by Ms. Howe's non-compliance. Staff has received one complaint from a licensee and is encouraging the licensee to file a complaint with RICO.

Commissioner Rice stated that he wanted to make sure that Ms. Howe was given proper notice that she is in violation. Senior Specialist Fujimura replied yes, she has been provided with notice. Ms. Howe was also informed that any pending course offerings that she submits will not be processed until she complies with the laws and rules.

Chair Pro Tem Ohama stated that Ms. Howe had previously purchased the certificates, received a letter and instructions and has even appeared before the Commission.

SEO Kimura stated that staff will try to work with the affected licensee's renewals in light of these on-going problems.

Senior Specialist Fujimura stated that only recently, September, October and November, has Ms. Howe voiced her refusal to issue certificates. Commissioner Rice clarified that she did correctly issue certificates in the past and is now refusing to comply.

Budget and Finance  
Report:

None.

Next Meeting:

Thursday, December 12, 2002  
10:00 a.m.  
HRH Princess Victoria Kamamalu Building  
1010 Richards Street, Second Floor  
Honolulu, Hawaii

Adjournment:

With no further business to discuss, Chair Pro Tem Ohama adjourned the meeting at 11:22 a.m.

Respectfully submitted by:

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

12/12/02  
Date

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