

**EDUCATION REVIEW COMMITTEE**  
REAL ESTATE COMMISSION  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.hawaii.gov/hirec](http://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: Thursday, December 11, 2003

Time: 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, 1<sup>st</sup> Floor  
Honolulu, Hawaii

Present: Vern Yamanaka, Chair  
Trudy Nishihara, Vice Chair  
Louis Abrams, Member  
Mitchell Imanaka, Member  
Kathleen Kagawa, 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 K. A. Kimura, Real Estate Specialist  
Ryan Yamashiro, 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

Others: Karen Iwamoto, Hawaii Association of REALTORS®  
Marsha Shimizu, Hawaii Association of REALTORS®  
Bill Ramsey, Hawaii Association of REALTORS®  
Janice Lind, RE3, LLC  
Wayne Richardson, RE3, LLC  
Satoko Toda, Osaka, Japan  
Keiko Ichida, Osaka, Japan  
Jungin Kim, Osaka, Japan  
Joanna Markle  
Brian Thomas  
M. Russell Goode

Excused: Marshall Chinen, Member

Call to Order: Chair Yamanaka called the meeting to order at 9:37 a.m., at which time quorum was established.

Chair's Report: No report. The Chair wished everyone a Merry Christmas.

Sr. Real Estate Specialist's Report: Announcements, Introduction, Correspondence, and Additional Distribution

Upon a motion by Commissioner Ohama, seconded by Commissioner Okawa, 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
    - 8) Course – “City and County of Honolulu and Hawaii State Building Codes and Requirements for the Real Estate Agent,” Author/Owner: Philip Hale Wilia and Dower School of Real Estate, Provider: Dower School of Real Estate, Course Category: Other, Clock Hours: 3
    - 9) Course – “Advanced Valuation of Investment Real Estate,” Author/Owner: Eugene Trowbridge, Esq., Provider: Hawaii CCIM Chapter, Course Category: Investment, and Property Ownership and Development, Clock Hours: 3
    - 10) Course – “Analyzing and Valuing Investment Real Estate,” Author/Owner: Eugene Trowbridge, Esq., Provider: Hawaii CCIM Chapter, Course Category: Investment, and Property Ownership and Development, Clock Hours: 3
6. Administration of Examinations
  - a. Promissor – Russ Goode Request

The following was distributed as additional distribution:

3. Senior Real Estate Specialist's Report
  - b. Minutes of Meeting
4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
  - b. Applications
    - 2) Course – “Buyer Representation in Real Estate,” Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Categories: Contracts, Risk Management, and Agency, Clock Hours: 3

#### Minutes of Meeting

Upon a motion by Commissioner Nishihara, seconded by Commissioner Rice, it was voted on and unanimously carried to accept the minutes of the November 12, 2003, Education Review Committee meeting as distributed.

Continuing Education: **Applications**

Course – “Title Insurance and Title Report Red Flags,” Author/Owner: Suzette Nasser, Provider: Kona Board of REALTORS, Course Category: Property Ownership and Development, Clock Hours: 3

Upon a motion by Commissioner Imanaka, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of “Title Insurance and Title Report Red Flags” as a three clock hour continuing education elective course under the course category Property Ownership and Development.

Course – “Buyer Representation in Real Estate,” Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Categories: Contracts, Risk Management, and Agency, Clock Hours: 3

Upon a motion by Commissioner Imanaka, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval of “Buyer Representation in Real Estate” as a three clock hour continuing education elective course under the course categories Contracts, Risk Management, and Agency.

Course – “Introduction to Commercial Real Estate Sales,” Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Categories: Contracts and Investment, Clock Hours: 3

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of “Introduction to Commercial Real Estate Sales” as a three clock hour continuing education elective course under the course categories Contracts and Investment.

Course – “Property Management and Managing Risk,” Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Categories: Property Management and Risk Management, Clock Hours: 3

Upon a motion by Commissioner Rice, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of “Property Management and Managing Risk” as a three clock hour continuing education elective course under the course categories Property Management and Risk Management.

Core Course – “Ethics and Real Estate,” Author/Owner: Dearborn Real Estate Education, Provider: Kona Board of REALTORS, Course Category: Ethics, Clock Hours: 4

Upon a motion by Commissioner Nishihara, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of “Ethics and Real Estate” as a four clock hour continuing education core course for the 2003 – 2004 biennium under the course category Ethics.

Core Course – “Current Real Estate Laws, Rules and Other Updates 2003-2004,” Author/Owner: Gretchen Duplanty/Duplanty School of Real Estate, Provider: Duplanty School of Real Estate, Course Categories: Real Estate Law, Finance, Risk Management, Technology and the Licensee and Other, Clock Hours: 4

Upon a motion by Commissioner Okawa, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of “Current Real Estate Laws, Rules and Other Updates 2003-2004” as a four clock hour continuing education core course for the 2003 – 2004 biennium under the course categories Real Estate Law, Finance, Risk Management, Technology and the Licensee, and Other.

Provider – Lorman Business Center, Inc. dba Lorman Education Services, Kari J. Campbell, Administrator

Upon a motion by Commissioner Abrams, seconded by Commissioner Rice, it was voted on and carried to recommend approval of Lorman Business Center, Inc. dba Lorman Education Services as a continuing education provider. Commissioner Imanaka recused himself from voting.

Course – “City and County of Honolulu and Hawaii State Building Codes and Requirements for the Real Estate Agent,” Author/Owner: Philip Hale Wilia and Dower School of Real Estate, Provider: Dower School of Real Estate, Course Category: Other, Clock Hours: 3

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend approval of “City and County of Honolulu and Hawaii State Building Codes and Requirements for the Real Estate Agent” as a three clock hour continuing education elective course under the course category Other.

Course – “Advanced Valuation of Investment Real Estate,” Author/Owner: Eugene Trowbridge, Esq., Provider: Hawaii CCIM Chapter, Course Categories: Investment, and Property Ownership and Development, Clock Hours: 3

Senior Specialist Fujimura reported that Eugene Trowbridge has other approved courses and is an attorney. She added that this is an advanced course.

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of “Advanced Valuation of Investment Real Estate” as a three clock hour continuing education course under the course categories Investment, and Property Ownership and Development.

Course – “Analyzing and Valuing Investment Real Estate,” Author/Owner: Eugene Trowbridge, Esq., Provider: Hawaii CCIM Chapter, Course Categories: Investment, and Property Ownership and Development, Clock Hours: 3

Upon a motion by Commissioner Ohama, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of “Analyzing and

Valuing Investment Real Estate” as a three clock hour continuing education elective course under the course categories Investment, and Property Ownership and Development.

### **Continuing Education Core Course**

Meeting with Sandy Japely and Linda Nadeau of ProSchools, Inc, Wednesday, December 3 and Thursday, December 4, 2003

Senior Specialist Fujimura reported that the draft laws and rules update from ProSchools has been received and individuals from local brokerage firms have been contacted for information and input. She reported that the core course is moving along nicely and the course content looks good. Participation by members of the Education Evaluation Task Force members is excellent, and ProSchools is excited about the information provided.

Senior Specialist Fujimura reported that the anticipated completion of the on-line version of the course is February/March 2004 with the live classroom version to follow. The “train the trainer” sessions provided by ProSchools may also double as an IDW session in 2004.

### Prelicense Education: **Applications**

Prelicense School – The Hawaii Academy of Real Estate, LLC, Janice K. Lind Principal, Salesperson and Broker Curricula

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of The Hawaii Academy of Real Estate as a prelicense school offering the salesperson and broker curricula.

### **Broker Curriculum and Resources**

#### Update

Mr. Richardson reported that the curriculum is moving along well and he and Janice Lind look forward to wrapping it up.

Senior Specialist Fujimura reported there will be a meeting on Thursday, January 22, 2004, to discuss the final draft of the updated and revised broker curriculum and all prelicense providers and instructors will be invited to attend. She noted that as it stands now the curriculum may be increased to 80 hours.

Educator’s Forum: **Hawaii Association of REALTORS®** – 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**

November 2003 Bulletin

Senior Specialist Fujimura reported that the 2003 Annual Report has been completed and is awaiting the Director's approval.

She also reported that the November issue of the *Bulletin* has been completed and distributed.

**Neighbor Island Outreach**

January 6, 2004, REALTORS Association of Maui

The next neighbor island outreach will be held on January 6, 2004, on the island of Maui. Standing committee meetings will convene in the Conference Rooms of the REALTORS Association Maui, located at 441 Ala Makani Place, Kahului, Maui at the following times:

Laws and Rules Review Committee – 9:30 a.m.  
Education Review Committee – Upon adjournment of the Laws and Rules Review Committee meeting  
Condominium Review Committee – Upon adjournment of the Education Review Committee meeting

**Interactive Participation with Organizations**

Report and Evaluation, "Putting It All Together – Outreach 2003," sponsored by the Hawaii Association of REALTORS, October 21, 2003

A report and evaluation of the October 21, 2003, "Putting It All Together – Outreach 2003" was distributed to the Commissioners for their information.

**Real Estate Specialists' Office for the Day**

January 6, 2004, REALTORS Association of Maui

The Commission will be holding a Specialists' Office for the Day while the standing committee meetings are in progress and by appointment.

Special Issues: **HAR Legislative Bill on Landlord Education Requesting \$30,000 of the Real Estate Education Fund**

SEO Kimura reported that one of the major areas of concern has been residential property management and requirements of the Landlord Tenant Code.

He stated that HAR has a contract with the Commission to produce at least one annual seminar but there has not been a request to hold a seminar on property management or the Landlord Tenant Code. SEO Kimura added that the Commission has been involved in the drug abatement issue with CAI and they have produced more than one seminar per license biennium on this issue with

participation from the U.S. Attorney and the Attorney General's Office and funding from the Condominium Management Education Fund—funding has been in the \$3,000 range.

Mr. Bill Ramsey, Vice Chair, Hawaii Association of REALTORS Legislative Committee, reported that the HAR Legislative Committee met with the U.S. Attorney to discuss Hawaii's crystal methamphetamine problem. He noted that landlords are renting to drug dealers and then don't know what to do to prevent future rentals to this element of the population. He stated that landlords need statewide education in the basics of property management to avoid problems in the future, and to deal with current tenants who are not desirable.

Mr. Ramsey reported that the bill HAR is proposing is in two parts—the first part is funding to train the trainers. HAR is planning a standard curriculum and will train a core group of instructors who will in turn give presentations. They are hoping that funding for presentations will come from sponsors and presentations may be geared toward licensees as well as non-licensees. The second part of the HAR proposal is coordination with the Attorney General's Office as well as State and Federal enforcement agencies.

Chair Yamanaka stated that he wants to bring this to the Education Evaluation Task Force to get broad based industry feedback.

Commissioner Ohama questioned why the HAR is only targeting the Commission for funding of the entire amount—why not also request funding from other associations such as the Bar Association and CAI. He inquired if there has been any thought on asking other associations for the required funding. Mr. Ramsey replied, "No."

Mr. Ramsey added that he attended a CAI presentation and it was more like a seminar that taught the nuts and bolts—it did not teach the landlord how to avoid renting to drug dealers.

Commissioner Rice inquired if this request would be part of the program of work budget or considered an addendum. SEO Kimura replied that a lot depends on the total dollar amount requested.

SEO Kimura then questioned why HAR is proposing a bill when the Commission has a contract with HAR to conduct seminars on an annual basis.

SEO Kimura added that the procurement code requirements may determine who can put on the seminar, as there may be others that can provide a similar seminar. The Commission will have to decide and if there is funding in fiscal year 2004 budget; there may be a better possibility if it is after July 1, 2004.

Mr. Ramsey questioned if this seminar could fall under the existing contract between the Commission and HAR. SEO Kimura replied that it is a broad contract subject to amount of funding, and clearly residential property management and landlord tenant code are appropriate subject areas to real estate licensees.

Commissioner Ohama stated that the seminar targets a small portion of licensees; however, he noted that it is a terrific idea but HAR may want to also get funding from other sources to help the Commission justify the spending.

Commissioner Rice stated that this seminar is a necessity and he is in full support of such education. He noted that the legislature saw fit to take money from the Real Estate Education Fund, so if a good program comes up, the Commission should be able to get the budget amended.

Commissioner Okawa agreed that this is an important program. She noted that there are many non-licensees managing their own property who need and want property management regulation—this is a larger community issue. Commissioner Okawa stated that this issue requires feedback from the Education Evaluation Task Force.

At this time, SEO Kimura again emphasized that under the contract with the Commission the HAR is obligated to work on a seminar each fiscal year and under this contract we can provide certain seminars—it just depends on the funding amount.

Commissioner Nishihara stated that as this is the first time that HAR is hearing other opinions, it may be to their benefit to review the proposal in light of these comments and come back with another proposal that is viable for both sides.

Mr. Ramsey stated that if the Commission is willing to work on funding, the HAR would be more apt to pull the bill.

Upon a motion by Commissioner Ohama, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend the Commission work with the Hawaii Association of REALTORS for an educational program on “keeping illegal activity out of rental property”, to be made available to licensees and landlords, and considered as a CE course. The Hawaii Association of REALTORS will discuss further and present an amended proposal, taking into consideration the standing contract between the Hawaii Association of REALTORS and the Commission to sponsor at least one real estate seminar for the 2003 – 2004 biennium. Format of education program and budget will be decided at the Education Review Committee meeting scheduled for January 6, 2004.

#### HREREC Recommendation to REC on Curriculum

A copy of an early 1990’s proposal on amending the prelicense curriculum based on *Bloom’s Taxonomy of Learning* was distributed to the Commissioners for their information.

Administration of  
Examinations:

#### **Promissor**

#### Russ Goode Request

Mr. Goode stated that his job is to teach people to get their license.



Mr. Goode wants to know what calculators individuals can use during the exam. The policy as stated in the handbook states that the calculator should be battery operated, does not have alphanumeric characters, paper or make noise. He noted that individuals have been prevented from taking their calculators into the exam site when they brought with them the HP-12C financial calculator, which does not have alphanumeric characters, does not have paper and does not make noise.

Mr. Goode requested that the Commission remind Promissor which calculators are allowed into the exam and come up with a consistent policy.

Specialist Kimura stated that other states allow the specific model calculator mentioned by Mr. Goode—Promissor would need to familiarize their staff with this particular model.

Mr. Goode noted that there is a model HP-10B calculator recognized by professional organizations. He stated that there are about six calculators out in the market at this time and inquired why they can't be used if they do not have alphanumeric characters, do not have paper and do not make noise.

Commissioner Nishihara inquired if the change in calculators is due to amortization type test questions. Mr. Goode stated that these calculators are more accurate than the test answers. He noted that it is not about the test, but about coming out with a consistent policy on calculators.

Chair Yamanaka stated that this matter will be taken under advisement and thanked Mr. Goode for bringing this matter to their attention.

**Budget and Finance:** Upon a motion by Commissioner Rice, seconded by Commissioner Imanaka, it was voted on and unanimously carried to accept the Real Estate Education Fund Report as of September 30, 2003.

At this time, EO Taniguchi reported that there has been no response from Morgan Stanley Dean Witter representatives regarding the investment contract.

Based on the lack of response from Morgan Stanley Dean Witter representatives regarding investment of the Real Estate Education Fund funds it was moved by Commissioner Rice, seconded by Commissioner Kagawa, to recommend that if no response is received by January 1, 2004, Staff is authorized to seek proposals from other investment companies and notify Morgan Stanley Dean Witter of withdrawal of any preliminary approval.

**Open Forum:** No discussion.

**Next Meeting:** **Tuesday, January 6, 2004**  
Upon adjournment of the Laws and Rules Review Committee Meeting, which convenes at 9:30 a.m.  
**REALTORS Association of Maui**  
**441 Ala Makani Place**  
**Kahului, Maui**

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Adjournment:               With no further business to discuss, Chair Yamanaka adjourned the meeting at  
10:26 a.m.

Reviewed by:

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

January 11, 2004  
Date

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

DCF:kt  
11/15/03