

**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: June 15, 2007

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

Place: State Office Building  
Conference Rooms A, B, & C  
3060 Eiwa Street  
Lihue, Kauai, Hawaii

Present: Louis Abrams, Broker / Kauai Commissioner  
William S. Chee, Broker / Honolulu Commissioner  
Frances T. Gendrano, Salesperson / Honolulu Commissioner  
Trudy Nishihara, Broker / Honolulu Commissioner  
Mark Suiso, Public / Honolulu Commissioner  
Michele Sunahara Loudermilk, Public / Honolulu Commissioner

Calvin Kimura, Supervising Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Shari Wong, Deputy Attorney General  
Irene Kotaka Takahashi, Recording Secretary

Absent: Carol Mae Ball, Chair / Broker / Maui Commissioner  
Annette Aiona, Vice Chair / Broker / Hawaii Island Commissioner  
Stanley Kuriyama, Broker / Honolulu Commissioner

Others: Karen Ono, Kauai Board of REALTORS  
Ron Fleet  
Rowena Cobb

Call to Order: Chair Pro Tem Nishihara called the meeting to order at 9:35 a.m., at which time quorum was established.

Chair's Report: Chair Pro Tem Nishihara stated the Commission 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/or to consult with the Commission's attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

Commissioners Ball, Aiona and Kuriyama are excused from the meeting. Prior notification of their non-attendance was received.

Real Estate  
Specialist's Report:

Announcements, Introduction, Correspondence, and Additional Distribution

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Chee, 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
    - 3) Continuing Education Provider – Fleet Realty Inc. dba Fleet Educational Services; Ron Fleet, Administrator
    - 4) Course – “Legal Issues in Brokerage Management;” Author/Owner/Provider: Kona Board of REALTORS®; Course Categories: Real Estate Law and Other – Broker Management; Clock Hours: 3
5. Prelicensing Education Administration, Curriculum Schools, Instructors, and Equivalency
  - b. Applications – School – Fleet Realty Inc. dba Fleet Educational Services; Ron Fleet, Principal; Salesperson and Broker Curricula
6. Administration of Examinations
  - d. Test Development – Promissor Job Task Analysis Meeting

The following was distributed as additional distributions:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
  - b. Applications
    - 1) Course – “Ethical Conduct in Real Estate – Hawaii;” Author/Owner: Mark S. Putnam; Provider: Character Training Inc. dba Global Ethics University; Course Category: Other – Ethics; Clock Hours: 4 (Credit Hours: 3) – Deferred from 5/9/07 ERC meeting

Minutes of May 9, 2007 Meeting

Upon a motion by Commissioner Chee, seconded by Commissioner Suiso, it was voted on and unanimously carried to accept the minutes of the April 11, 2007, Education Review Committee meeting as distributed.

Continuing Education: Applications

**Course – “Ethical Conduct in Real Estate – Hawaii”; Author/Owner: Mark S. Putnam; Provider Character Training Inc. dba Global Ethics University (pending approval); Course Category: Other – Ethics; Clock Hours: 4 (Credit Hours: 3)**

The course is a four-hour course, but credit will only be given for three hours. The Commissioners raised concerns that the course discusses ethics but it does not necessarily follow the National Association of REALTORS’ Code of Ethics, which is recognized by the courts. The Commission requested that proper disclosures be made in writing or orally that the course may differ from the NAR Code of Ethics. NAR is recognized as the largest organization for real estate licensees. In disciplinary cases and court proceedings, the NAR Code of Ethics is used as a standard of practice. This information is important to know for licensees who are not members of NAR.

Ms. Shimizu informed the Commissioners that Dr. Nicholas Ordway said years ago when the Hawaii Real Estate Research and Education Center was in existence that NAR's Code of Ethics is the standard recognized by the industry. This information was also included in the first core course that was offered.

Upon a motion by Commissioner Abrams, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to approve "Ethical Conduct in Real Estate – Hawaii" as a three credit hour continuing education elective course, under the course category Other – Ethics, subject to inclusion of the disclosures discussed.

Commissioners Abrams and Nishihara stated they were interested in monitoring the course.

**Course – "Essentials of DROA" – name change to "Essentials of the Purchase Contract;" Author/Owner/Provider: Hawaii Association of REALTORS®; Course Category: Contract; Clock Hours: 3**

Due to the Hawaii Association of Realtors' revision and name change of their standard form "Deposit, Receipt, Offer, and Acceptance" to "Purchase Contract", HAR is requesting a change of the title of the course, "Essentials of DROA", to "Essentials of the Purchase Contract", and they will revise all course materials accordingly.

Staff will be working with the testing company to modify the examination questions to reflect the change from "DROA" to "purchase contract".

Since case law uses the term "DROA", the use of this term may not be discontinued. The providers need to educate the students of both terms.

**Continuing Education Provider – Fleet Realty Inc. dba Fleet Educational Services; Ron Fleet, Administrator**

Ron Fleet was present to answer any questions the Commissioners may have regarding his application as a continuing education provider.

Mr. Fleet informed the Commissioners that he is an instructor for the Kauai Board of REALTORS but he has decided to start his own company.

Mr. Fleet said that he had two prior complaints with RICO that were investigated and dismissed for a lack of evidence. The pending complaint involves a client who sued him for a "whole litany of things". He thinks that it will eventually be dismissed as a frivolous lawsuit. Both closed complaints and the pending complaint names him because he was a broker in the firm. He was not a party in the transaction.

Mr. Fleet explained that in the pending lawsuit, the plaintiff assumed the position of the buyer days before closing and is now claiming that he was misled and enticed into buying the property and that it was zoned for agriculture, not agriculture – open. The plaintiff is an attorney on Kauai. Vision Properties was the dual agent in this transaction.

Upon a motion by Commissioner Chee, seconded by Commissioner Abrams, it was voted on and unanimously carried to take this matter under advisement.

**Course – “Legal Issues in Brokerage Management;”  
Author/Owner/Provider: Kona Board of REALTORS®; Course Categories:  
Real Estate Law and Other – Broker Management; Clock Hours: 3**

Upon a motion by Commissioner Abrams, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to approve “Legal Issues in Brokerage Management” as a three clock hour continuing education elective course.

Prelicensure Education: Applications

**School – Fleet Realty Inc. dba Fleet Educational Services; Ron Fleet,  
Principal; Salesperson and Broker Curricula**

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Chee, it was voted on and unanimously carried to take this matter under advisement.

Evaluation and Education Program

**Abe Lee Seminars; Salesperson Independent Study On-Line (8)  
Vitousek Real Estate School (1)  
Seiler School of Real Estate (6)**

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

1. Abe Lee Seminars
2. Vitousek Real Estate School
3. Seiler School of Real Estate

Administration of  
Examinations:

Promissor

**Licensing Examination Statistics – April 2007**

Examination statistics for April 2007 were distributed to the Commissioners for their information.

**School Summary Reports – April 2007**

A copy of the April 2007 performance summary report, by school, was distributed to the Commissioners for their information. The report is derived from statistics for first time test takers.

**Job Task Analysis Meeting**

Upon a motion by Commissioner Abrams, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve to send up to three staff/Commissioners to Promissor’s meeting on the Uniform Section of the Real Estate Licensing Exam, to be held July 11 to 13, 2007, in Las Vegas, Nevada. Participants to be determined by the REC Chair and SEO. Travel expenses to be paid by Promissor as part of the terms of the examination contract.

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.

**Kauai Board of REALTORS®** – No discussion presented.

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

**School Files**

Senior Specialist Fujimura reported that the next issue of *School Files* will be distributed this month.

Real Estate Seminars

**Request for Quotations to Assist the Real Estate Commission in Developing and Presenting IDWs, Real Estate Seminars**

The electronic request for quotations was released on June 12, 2007 with a response deadline of June 21, 2007.

Program of Work, FY08

Commissioner Nishihara reported that Canada has an online system that tracks a licensee from the time they sign up to take the course and throughout the time that they are licensed. All changes are reported electronically by the licensee or their broker. The regulatory agency will input complaint information once a complaint has been filed. If the licensee retires, their record is taken off the system.

The SEO reported that the Commission has been studying the feasibility of a progressive advancement of the technology program for applicants, licensees, public, and administration for a number of years. It has been part of the Commission's program of work for a number of years and under the lead of the past REC Chair. The Commission has been studying the issue with HIC (the State's lead electronic consultant) and PVL. We have had meetings with numerous private vendors and other states, provinces, and some vendors who provide such services to other states, including reviewing specifications, experiencing actual demonstrations, reviewing cost items and pricing, etc. This study also included the systems of Alberta and British Columbia. As reported to the Commission, the initial conclusions is that there are a number of excellent systems outside of the State that can be structured to be economically feasible, and can be program for the Commission's purpose. The hurdles include the State's procurement laws, the incompatibility with the State's system, the incompatibility with the PVL system, low in priority for State and DCCA IT services which is mandatory, and PVL has a number of major IT projects that have a higher priority.

As reported, most of the Canadian provinces' Real Estate Commissions are independent from the Provincial government and not considered to be government but more like a non-profit organization. In the case of the Alberta Real Estate Council, who have an excellent database system, they have no government oversight or an umbrella agency, no procurement laws to follow, have no IT compatibility issues with an umbrella agency, do not have a bureaucracy for approvals, have no funding problem, can make changes immediately, etc. Even if Alberta were to provide their system to REC without any cost, REC will still have to go through the normal aforementioned process and procedures. It is recommended that the Chair initiate meetings with the Licensing Administrator.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept Draft 2-A of the proposed Program of Work and Budget, FY08 and to forward the finalized version to the Director for approval prior to June 30, 2007.

Open Forum: The island of Hawaii has been experiencing problems with the testing centers. The Kona test center was closed after the earthquake and has not been reopened. A test center was opened in Hilo, however, the Commission was informed that it was closed. Promissor hopes to finalize arrangements to have the test center at Parker School open soon.

Ms. Ono reported that they have received complaints from test takers on the island of Kauai because the test site is not air conditioned and it is very hot.

Executive Session: Upon a motion by Commissioner Loudermilk, seconded by Commissioner Gendrano, it was voted on and 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."

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

Continuing Education: Applications

**Continuing Education Provider – Fleet Realty Inc. dba Fleet Educational Services: Ron Fleet, Administrator**

Upon a motion by Commissioner Abrams, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to approve Fleet Realty Inc. dba Fleet Educational Services as a continuing education provider.

Prelicense Education: Applications

**School – Fleet Realty Inc. dba Fleet Educational Services; Ron Fleet, Principal; Salesperson and Broker Curricula**

Upon a motion by Commissioner Abrams, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to approve Fleet Realty Inc. dba Fleet Educational Services as a prelicense school offering the salesperson and broker curricula.

Next Meeting: Wednesday, July 11, 2007  
Upon adjournment of the Laws and Rules Review Committee Meeting, which convenes at 9:00 a.m.  
King Kalakaua Building  
Queen Liliuokalani Conference Room  
335 Merchant Street, 1<sup>st</sup> Floor  
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Pro Tem Nishihara adjourned the meeting at 10:34 a.m.

Reviewed and approved by:

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

July 11, 2007  
Date

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