

LAWS AND RULES REVIEW COMMITTEE
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 Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Wednesday, July 13, 2005

Time: 9:00 a.m.

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

Present: Iris Okawa, Chair, Public/Honolulu Commissioner
Louis Abrams, Vice Chair, Broker/Kauai Commissioner
Carol Ball, Broker/Maui Commissioner
Kathleen Kagawa, Broker/Honolulu Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner
Trudy Nishihara, Broker/Honolulu Commissioner
Vern Yamanaka, Broker/Hawaii Island Commissioner

Calvin Kimura, Supervising Executive Officer
Neil Fujitani, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Lorene Kimura, Real Estate Specialist
Ryan Yamashiro, Real Estate Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary
Tammy Norton, Secretary

Others: Janice Lind, HARE LLC
Tom Gill, Hawaii Association of REALTORS®

Absent: None

Call to Order: The Chair called the meeting to order at 9:02 a.m., at which time quorum was established.

Chair's Report: Chair Okawa welcomed Stanley Kuriyama to the Commission and informed those present that he brings a tremendous background in real estate and business to the Commission.

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

SEO's Report:

Announcements, Introduction, Correspondence, and Additional Distribution

Additional Distribution

The following material was distributed to the Commissioners prior to the start of the meeting:

2. Chair's Report
 - a. Chair or Chair Pro Tem of the Real Estate Commission
3. SEO's Report – Schedule of Non-Accessible Dates for July to December 2005

Minutes of Previous Meetings

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the minutes of the June 14, 2005 Laws and Rules Review Committee meeting.

The Commissioners were requested to turn in their Schedule of Non-Accessible Dates for the months of July through December 2005 to staff by the end of the month. They were also asked to notify staff if there are any changes once it has been submitted.

Chair's Report:

Chair or Chair Pro Tem of the Real Estate Commission

The Deputy Attorney General stated pursuant to §467-3, HRS, the Chair of the Real Estate Commission shall be designated by the appointing power, which is the Governor. The Governor has not yet appointed a Chair to the Commission. However, the Committee and the Commission can act in their capacity as a group as long as quorum is ensured. The recommendations of the Committee can be ratified by the Commission when the Chair is appointed.

For the purposes of today's Committee meetings, the Deputy Attorney General stated that it would not be necessary to appoint a Chair Pro Tem for the Committees. The Commission could conduct the meetings with the existing Chairs in place in order to properly carry out its responsibilities. The Commissioners agreed to continue with the existing Chairs and Vice Chairs until the appointment of the REC Chair has been announced.

Program of Work
FY06:

Commissioner's Education Program

A copy of the April/May 2005 issue of OpenLine was distributed to the Commissioners for their information.

Subcommittee Report on Internet Advertising/VOWs

A copy of the following was distributed to the Commissioners for their information:

- NAR, DOJ to Negotiate Enhanced IDX Policy – Realtor.org
- VOW Policy: Worth Fighting For – News Analysis – Realtor.org
- NAR's VOW Policy – Internet Crusade

Subcommittee Chair Abrams reported that they are monitoring this situation. It does not look like this will be resolved any time soon. Former Commissioner Ching had worked on a policy regarding internet advertising but there has been no progress since the Commission is directing its attention on the consumer relationship issues.

Subcommittee on Agency

The following materials were distributed to the Commissioners for their information:

- Why is the Real Estate Industry Under Attack? = Realtor.org
- Realty Reality: NAR's Action on Standards Made Sense – RealtyTimes
- Vitriolic Washington Post Attack Confirms Conspiracy of Disinformation – RealtyTimes
- The Threat of a Collapsing MLS System is Real – RealtyTimes

Subcommittee Chair Abrams informed the Commissioners that he is still working on the symposium; however, they are struggling uphill to get everything done with the budgeted amount. They hope to have everything completed before the time the Legislature starts in 2006.

Subcommittee on Applicants with Criminal and Other Legal Background Issues

No report was presented.

ARELLO, Other
Organizations and
Jurisdictions:

ARELLO Mid-Year, District Meeting, Annual Meeting and Reports

A copy of the Report on the Meeting with the California Department of Real Estate and the ARELLO Midyear Meeting was distributed to the Commissioners for their information.

The SEO highlighted information from the report that was of interest to the Commissioners.

Commissioner Abrams noted that the ARELLO Annual Meeting in October would be shedding more light on how the other jurisdictions are embracing the report done by the Canadian Task Force. The Commission is looking into educating the licensees and then deciding what to do about it.

Chair Okawa noted that the meeting with the California Department of Real Estate was very valuable. The Commission would also like to acknowledge and thank Tracy Stice for attending the ARELLO Midyear meetings.

Commissioner Abrams stated that the meeting with the California Department of Real Estate helped him to understand how the bigger states are addressing the issue of consumer relationships.

Chair Okawa also noted that the home inspector, mortgage broker and timeshare programs have become more visible at the ARELLO meetings.

National Association of REALTORS®

The following articles were distributed to the Commissioners for their information:

- McDermott: Realtors Livelihood Under Attack – Realtor.org
- Community Choice in Real Estate Act Reintroduced in Senate – Realtor.org

Real Estate
Recovery Fund:

No report was presented.

Open Forum:

None.

Next Meeting:

Wednesday, August 10, 2005
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 9:41 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

August 11, 2005
Date

[X] Approved as is.
[] Approved with amendments. See minutes of _____ meeting.

CK/isk/050715