

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, August 9, 2006

Time: 9:00 a.m.

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

Present: Louis Abrams, Chair, Broker/Kauai Commissioner
Michele Sunahara Loudermilk, Vice Chair, Public/Honolulu Commissioner
Annette Aiona, Broker/Hawaii Commissioner
William Chee, Broker/Honolulu Commissioner
Frances Gendrano, Salesperson/Honolulu Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner
Trudy Nishihara, Broker/Honolulu Commissioner
Mark Suiso, Public/Honolulu Commissioner (Late Arrival)

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

Others: Myoung Oh, Hawaii Association of REALTORS
Jo Ann Uchida, Regulated Industries Complaints Officer
Esther Mau, Attorney
Ralph Foulger, Instructor
Carol Egan, Instructor
Vernon Tashima, Attorney
Galen C. K. Leong, Consultant
Ray Iwamoto, Attorney
Jane Yoshimoto, Attorney
Nina Yang, Attorney
Richard Asato, Attorney
Kenneth Chong, Consultant

Absent: Carol Ball, Broker/Maui Commissioner

Call to Order: The Chair called the meeting to order at 9:01 a.m., at which time quorum was established.

Chair's Report: No Chair's report was presented.

Commissioner Ball was excused from the meeting. Prior notification of her non-attendance was received.

SEO's Report:

Minutes of Previous Meetings

Upon a motion by Commissioner Nishihara, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to accept the minutes of the July 12, 2006 Laws and Rules Review Committee meeting.

Program of Work,
FY07:

Commissioners' Education Program

Jo Ann Uchida, Complaints Enforcement Officer at the Regulated Industries Complaints Office ("RICO") was present to provide information on the services offered by RICO. Ms. Uchida also distributed copies of the DCCA Directory of Services brochure and RICO's informational brochure.

Commissioner Suiso arrived.

Ms. Uchida provided an overview of the services that RICO provides and also discussed the complaints process. She mentioned that real estate cases tend to take longer to review because they are document intensive. The time to process a case varies.

If a petition is filed by RICO, the Commission can review the petition and the settlement agreement for the facts.

The Commissioners felt that at times the sanctions did not match the severity of the violations and would like to see more information in the settlement agreements. Ms. Uchida informed the Commissioners that the sanctions are tied to the violations and it depends on the quality of evidence. She recommended that the Commission take in to account the Commission's Final Order, the types of violations and sanctions when making its decision. She also reported that the Commission's rejection of the settlement agreement does not mean that the case will be dropped.

Ms. Uchida reported that RICO receives over 100,000 complaints per year. In FY2006, there were 324 real estate complaints, which resulted in 38 orders, one suspension and four revocations.

Legislative Acts and Resolutions

A copy of the amended Chapter 467, Hawaii Revised Statutes, was distributed to the Commissioners for their information and reference.

Neighbor Island Outreach

The next neighbor island outreach is being scheduled for Fall 2006, in Maui. REB staff will work with Commissioner Ball on the arrangements.

Commissioners' Education Program

A copy of the April-July 2006 issue of OpenLine was distributed to the Commissioners for their information.

Licensing Renewal

Specialist Kimura reported that the tentative launch date for the online renewals is October 30, 2006. The renewal packets will be mailed out to the licensees prior to that. Those who opt to renew their licenses online may be receiving a discount of approximately \$30 per license.

It was stressed that principal brokers, brokers-in-charge, brokerage companies and branch offices should renew their licenses first. Otherwise, it will hold up the successful renewal of associating licensees.

The Commission has requested assistance from the Hawaii Association of REALTORS and its local boards in providing information to their licensees and in conducting renewal workshops.

The renewal deadline is November 30, 2006, to ensure that the licensees are licensed and receive their pocket cards by January 1, 2007.

A list of licensees who have completed their continuing education courses for the upcoming biennium and those associated with their firms will be sent out to the principal brokers in August 2006.

Commissioners' Education Program

A copy of the flow chart explaining the disciplinary process for Administrative Rules was distributed to the Commissioners for their information.

Ad Hoc Committee on Consumer-Broker Relationships

Subcommittee Chair Abrams reported that the Consumer Broker Relationships Ad Hoc Committee ("CBRAHC") concluded that more education was required for licensees on consumer broker relationship issues. The Education Evaluation Task Force ("EETF") was discussing the core course, which included agency and consumer broker relationship issues. The CBRAHC felt that more time should be devoted in the core course to explain agency and consumer broker relationship issues more fully. The CBRAHC will be meeting again at the end of the month.

Senior Specialist Fujimura stated that there is a core course and it could be increased to six hours. Four hours could be to discuss agency and consumer broker relationship issues and the other two hours could be a laws update. The EETF did not discuss the possibility of there being more than one core course.

The Commission determines the number of hours to be dedicated to the core course.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Nishihara, it was voted on and unanimously carried to recommend that the Education Review Committee, through the EETF, consider and develop a mandatory CE core course for the next licensing biennium that includes four hours of instruction on consumer broker relationship issues, laws, and rules, with EETF providing comprehensive recommendations on the inclusion of laws and rules update and number of classroom hours for each section and further recommend that the CBRAHC develop and recommend a list of concerns and an outline of consumer-broker curriculum items to be considered that will be forwarded to ERC and EETF for their consideration.

Subcommittee on Agency and Other Related Issues

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

1. Kentucky Real Estate News, Summer 2006
2. Maine Real Estate News, Summer 2006
3. Inman Real Estate News, July 17, 2006
4. [Boundaries], May/June 2006
5. News Release from the Federal Trade Commission, July 13, 2006
6. Inman Real Estate News, July 13, 2006
7. National Association of REALTORS News, June 2006
8. ALQ Real Estate Intelligence Report, Summer 2006

ARELLO, Other
Organizations and
Jurisdictions:

None.

Special Issues:

Consumer Federation of America

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

1. News Release from the Consumer Federation of America, July 21, 2006
2. ARELLO's Position Statement, July 2006
3. The Washington Post, "State Rule Enforcers Are Often Players, Too", July 22, 2006
4. ALQ Real Estate Intelligence Report, July 2006

House Committee on Financial Services

Information on the U. S. House Committee on Financial Services' Subcommittee on Housing and Community Development Hearing, held on July 25, 2006, was distributed to the Commissioners for their information.

Open Forum:

None.

Budget and Finance
Report:

None.

Next Meeting:

Wednesday, September 13, 2006
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 10:15
a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

September 13, 2006
Date

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