

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, June 15, 2007

Time: 9:00 a.m.

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

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

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

Others: Representative Roland D. Sagum, III
Karen Ono, Kauai Board of REALTORS

Absent: Annette Aiona, Broker/Hawaii Commissioner
Carol Ball, Broker/Maui Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner

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

Chair's Report: The Chair recognized Representative Sagum and Ms. Ono and thanked them for attending the meeting.

The Chair announced that the Committee may move into executive session 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.

SEO's Report: Former Kauai Commissioner, Michael Ching, sends his regrets at not being able to attend the meeting today.

The SEO explained the meeting schedule for the morning for those who were present.

Minutes of Previous Meetings

Upon a motion by Commissioner Suiso, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the minutes of the May 9, 2007 Laws and Rules Review Committee meeting.

Program of Work, FY07:

Ad Hoc Committee on Consumer-Broker Relationships

The CBRAHC will be meeting in mid-July to discuss possible rule amendments. Commissioners Abrams and Nishihara will also be able to share with the CBRAHC members information from their discussions with the Canadian provinces.

Subcommittee on Background Issues and Criminal History Records

The Subcommittee is currently in fact finding.

Program of Work, FY08

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Chee, 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.

ARELLO, Other Organizations and Jurisdictions:

NAR Member Survey

A copy of an article entitled, "NAR Member Survey Shows Patience and Professionalism Pay Over Time," by the National Realty News, dated May 11, 2007

Federal Trade Commission

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

1. News Release, Federal Trade Commission, dated May 8, 2007, "Federal Trade Commission and U.S. Department of Justice Issue Report on Competition in the Real Estate Brokerage Industry;" and
2. News Release, Federal Trade Commission, dated May 8, 2007, "Buying a Home: It's a Big Deal."

U.S. Department of Housing and Urban Development (HUD)

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

1. "HUD Sues Four Real Estate Companies for Illegal Kickback Scheme," National Realty News, May 25, 2007; and
2. "Coldwell Banker Nailed for RESPA Violations," National Realty News, January 13, 2006.

Special Issues: Fractional Ownership / Tenancies-in-Common (TIC)

The following was distributed to the Commissioners for their information:

1. Homeshare Hawaii LLC, Interval and Fractional Ownership Projects, General Information About Project Ownerships; and
2. Executive Summary from the National Association of REALTORS, Tenancies-in-Common.

These issues will need to be looked at more closely to determine if the transactions/activities fall under the securities law, real estate law, or both. The issue of fractional ownerships and tenancies-in-common is a bigger issue with many industries involved.

Open Forum: None.

Budget &
Finance
Report: None.

Next
Meeting: Wednesday, July 11, 2007
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 9:34 a.m.

Reviewed and approved by:

Calvin Kimura
Calvin Kimura
Supervising Executive Officer

July 11, 2007
Date

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

CK:isk 070702