



BULLETIN

These new laws may affect your real estate business

The following update covers some of the relevant legislation that may impact your real estate practice. The full text of the Act is available on the Legislature's website, www.capitol.hawaii.gov.

Act 080 (SLH 2003) SB 394 HD1 extends the sunset date for Act 39 (SLH 2000) to December 31, 2007. This act allows associations of apartment owners to specially assess delinquent common expenses against a purchaser who purchased a delinquent apartment from a seller who holds the mortgage on a delinquent apartment.

The association of apartment owners may be required to provide at no extra charge a notice of their intention to place a lien against the delinquent apartment for the amount of the special assessment.

The notice shall state the amount of the special assessment, how it was calculated, including but not limited to the month or months of unpaid assessments, and the legal description of the apartment.

Act 095 (SLH 2003) SB 830 SD1 HD3 CD1 requires applicants for employment as security guard, manager, or a position which allows employee access to the keys of or entry into units in the condominium project or access to association funds to provide the Hawaii Criminal Justice Data Center with personal identifying information to be used only for the purposes of conducting the criminal history record check.

This act also amended §831-3.1, HRS, by clarifying among other provisions that "A person shall not be disqualified from public office or employment by the State . . . or agencies . . . or be disqualified to practice, pursue, or engage in any occupation, trade, vocation, profession, or business for which a permit, license, registration, or certificate is required by the State or . . . agencies, solely by reason of a prior conviction of a crime;" provided that employment, permit, license, registration, or certificate may be denied to a person who within the past ten (10) years excluding any period of incarceration has been convicted of a crime that "bears a rational relationship to the duties and responsibilities of a job, occupation, trade, vocation, profession, or business."

The State or agencies may "consider justification for the

refusal, suspension, or revocation of any employment or of any permit, license, registration, or certificate, any conviction . . . when that crime bears a rational relationship" to the duties and responsibilities of the job.

Act 133 (SHL 2003) HB 736 HD1 SD 2 CD1 addresses a lack of due process in Act 226 (SLH 2002) which provided professional or vocational license sanctions upon default of a state or federal student loan by the borrower.

Act 226 required that a license may be denied or suspended only if the agency administering the loan provides the licensing authority with certification of the default, breach, or non-compliance based on a judgment from a state district or circuit court.

Act 133 amends Chapter 436C, HRS, with the addition of two sections. Section 436C-A Judicial certification defines the information that must be in the judgment of a district or circuit court in this State and based on the certification, a licensing authority shall act on the certification only if it complies with this section.

Section 436C-B Judicial finding of financial hardship; guidelines. This section addresses instances where the licensee or license applicant who is the subject of a certification issued pursuant to §436C-A declares to the court that the default cannot be cured without financial hardship. The court may then consider certain information in determining whether financial hardship exists.

Section 436B-19.6, Professional and Vocational Licensing Act, is amended and now includes the requirement that the licensing authority in receipt of a certification pursuant to Chapter 436C shall (1) Suspend the license; (2) Deny the application or request for renewal of the license; or (3) Deny the request for reinstatement of the license, and unless otherwise provided by law, shall renew, reinstate, or grant the license only upon receipt of an authorization from the administering entity.

Act 178 (SLH 2003) HB 1152 HD1 SD1 CD2 authorizes the director of finance to transfer on July 1, 2003, \$150,000 from

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the real estate education fund to the general fund.

Act 185 (SLH 2003) SB 1492 SD1 HD2 CD1 requires the Department of Health and the Real Estate Commission to conduct a study and report to the Legislature on the impact and feasibility of allowing condominium and cooperative housing corporation projects to become licensed as assisted living facilities to provide assisted living services for its residents.

It prohibits the Department of Health from issuing any new license for any condominium or cooperative housing project as an assisted living facility until the Legislature acts on the report or until July 1, 2004, whichever occurs first.

Act 194 (SLH 2003) HB 373 SD1 HD2 amends Chapter 521, HRS, by allowing tenants to exercise reasonable political speech.

When permissible in a rental agreement for a single family residence, a landlord shall not prohibit or require a tenant from erecting, maintaining, or displaying a legal sign or outdoor advertising device, provided that reasonable restrictions are permissible for compliance with applicable building and housing laws affecting health and safety. It also repeals prohibition against displaying campaign signs

more than 45 days prior to and ten (10) days following an election.

As a point of interest, Chapter 445, County licenses, HRS §445-112(12), "Outdoor advertising," HRS, states, "Signs stating that a residence that is offered for sale, lease, or rent is open for inspection at the actual time the sign is displayed and showing the route to the residence; provided that the sign contain no words or designs other than the words "Open House," the address of the residence, the name of the person or agency responsible for the sale, and an arrow or other directional symbol and is removed during such time as the residence is not open for inspection; . . ."

*One bill that did not get passed would have required persons working for a condominium managing agent to take an exam and obtain a basic certification confirming that they understood basic condominium operations and management *before* they could begin working for the managing agent as a property manager. The possibility the Legislature would ask the legislative auditor to look into the need for certification of employees of managing agents is also dead.

(*This information is from "2003 Legislative Update, CAI Legislative Action" by John A. Morris and Richard S. Ekimoto.)

Legislature passed only a dozen tax-related bills

Submitted by the State Department of Taxation

Only about a dozen tax-related bills survived the 2003 legislative session. Here is what happened to a few that might be of interest to you.

Legislation Enacted:

Act 100—This Act creates a nonrefundable attractions and educational facilities tax credit for qualified costs related to the development of a world-class aquarium and research facility at Ko Olina Resort and Marina.

The developer of the project is entitled to the credit, not businesses doing work on the project for the developer, and may use the credit to offset a number of different taxes including income, general excise, and transient accommodations taxes.

Act 136—This Act allows the Department to approve offers by taxpayers to compromise on the amount of tax to be paid in settlement of a tax delinquency without the approval of the Governor *if* the amount of tax is \$50,000 or less, excluding penalties and interest.

It also allows the Department to waive penalties and interest for delinquencies that are more than 90 days old, and hire criminal investigators who have privileges similar to those of police officers and deputy sheriffs.

Act 207—This Act creates a new nonrefundable renewable

energy income tax credit for solar energy, photovoltaic energy, and wind energy systems that are purchased and installed after June 30, 2003 and before January 1, 2008.

The previously available energy conservation tax credit expired on June 30, 2003. No credit is allowed for heat pumps and certain ice storage systems under the new law.

Legislation Vetoed:

House Bill 1400, HD 1 SD2 CD2 would have extended the nonrefundable 10 percent hotel construction and remodeling income tax credit to June 30, 2006, but at a reduced rate of 8 percent. Because this extension was not enacted, the hotel construction and remodeling tax credit reverted on July 1, 2003 to the 4 percent refundable income tax credit that was available prior to the temporary change enacted after the 9/11 terrorist attacks.

Senate Bill 1088, SD2 HD2 CD1 would have established a long-term care income tax to pay for long-term care benefits. It also would have provided a long-term care income tax credit for amounts paid to purchase long-term care insurance.

For more information, see the complete Digest of Tax Measures that is available on the Department's website at www.state.hi.us/tax.

The Chair's Message

Aloha!

I know many of you are very busy and are working hard in this active real estate market. The Real Estate commissioners are also working hard on projects that the Commission is tasked with. Please keep in mind that the commissioners are all volunteers and have their own businesses and ventures that they need to attend to in addition to their Real Estate Commission duties. I mention this so that you may appreciate the amount of extra time and effort it takes to make the Commission function. The Laws and Rules Review Committee (LRRC) is busy looking into areas that are of interest to the



real estate community. The chair of the committee, Iris Okawa, a public member, has gone above and beyond her normal duties and is an active participant in the Association of Real Estate License Law Officials (ARELLO). Iris provides valuable knowledge, experience, and feedback gained from her participation in meetings with regulators from around the country. Iris' commitment to the Commission shows, and we appreciate her time and effort in moving the Commission forward. Louis Abrams, the vice-chair of the LRRC, heads several subcommittees that will be new and exciting projects such as Internet advertising, VOWs (Virtual Office Websites), and license reciprocity. These are issue that will impact all licensees. Commissioner Marshall Chinen (another public member) is helping in all of the areas that are being worked on by this committee.

The Condominium Review Committee (CRC) will continue to work on the long-anticipated and needed bill for recodification of HRS 514A. The main thrust will be to get the recodification bill through the 2004 Legislature. We will need all of your support to make this happen. Mitchell Imanaka, the chair of the committee, is working with recodification attorney Gordon Arakaki and a Blue Ribbon Panel to make sure that everything will be in order for next session. Peter Rice, the vice-chair of the CRC, is busy making sure that all of the other issues that the committee is tasked with are being addressed. Peter also has the additional responsibility of reviewing the financial reports that are presented to the Commission. These are huge responsibilities, and both Mitch and Peter are doing a great job.

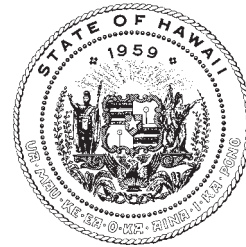
The Education Review Committee (ERC) is working extra hard this coming biennium. The ERC will review all of the Commission's Education programs and may include the re-vamping of continuing education requirements, the prelicensing curriculums, and other issues such as testing in CE courses, course and instructor monitoring, and the mandatory core

course. Thanks to the efforts of the ERC, the Commission selected RE3 LLC's Wayne Richardson III and Janice Lind to amend and update the 20-year-old broker's curriculum. The chair of the committee, Vern Yamanaka, will be joined by vice-chair Trudy Nishihara and committee member Kathleen Kagawa in determining and implementing any changes that are needed to improve the education process for licensees. This will be a truly formidable task for this committee, and any help that you can offer them will be appreciated.

Again, I would like to commend Calvin Kimura, the Commission's Supervising Executive Officer, and the staff of the Real Estate Commission for working with the commissioners and implementing all of their programs, projects, and goals in a timely and highly professional manner.

Mahalo!

John Ohama
John Ohama



State of Hawaii Real Estate Commission
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This material can be made available to individuals with special needs. Please call the Senior Real Estate Specialist at 586-2645 to submit your request.

Check out these new developments in real estate case law

At the Real Estate Educators Association (REEA) annual conference in Philadelphia, PA, held June 23-25, 2003. Charles J. Jacobus again presented his annual legal update of interesting and relevant developments in real estate case law across the country. While not Hawaii specific, these cases are of interest to all in the real estate profession.

Here is a sampling of his presentation.

Misrepresentation

In *Steptoe v. True*, 38 S.W.3d 213 (Tex. App.—Houston [14th Dist. 2001]), a buyer of beachfront property sued listing brokers for violations of the Deceptive Trade Practices Act (DTPA), fraudulent inducement, negligent misrepresentation, and breach of contract.

While showing the property, the listing broker allegedly told the buyer that the bulkhead of the property had been grandfathered by the state, and the buyer was “led to believe” that the bulkhead was there to stay.

In executing the earnest money contract, the buyer also executed a “Notice Regarding Coastal Area of Property” and the “Addendum for Property Located Seaward of the Gulf Intracoastal Waterway” as required by the Texas Real Estate Commission which acknowledged the beach property and the determination of the vegetation line.

After the purchase of the property, the State of Texas removed the bulkhead and the property subsequently subsided into the Gulf of Mexico.

The buyer testified that the broker (True) never had a conversation with her about the bulkhead. He only responded to generic terms and commented that he really didn’t know about a problem with beach erosion in that area but did acknowledge that bulkheads were “nice to have.” The court held that these comments were not affirmative misrepresentations as a matter of law.

The court noted that “the decisive test” is whether the seller researched the fact of which the buyer is ignorant or merely states an opinion or judgment on a matter of which the seller has no special knowledge and on which the buyer may be expected also to have an opinion and to exercise his judgment. The court held that the comments were not actionable because they merely pointed out the obvious.

The court noted the well established rule in Texas that a defendant “has no duty to disclose material facts [of which] it *should have known*.” Texas law required that the defendant had known of the information and had failed to bring it to the plaintiff’s attention.

In addressing the cause of action for negligent misrepresentation, the court noted “there is no law in Texas supporting the imposition of such a duty [to inspect listed property and disclose all facts which might materially affect its value or desirability.] An imposition of this type of liability

should be left to the Texas legislature.”

In *Miller v. Keyser*, ___ S.W.3d ___ (Tex. 2002), the court had to determine whether or not an agent for a disclosed principal may be held liable for passing on false representations made in the scope of his employment. The court held that because DTPA allows the consumer to bring suit against “any person,” an agent may be held personally liable for the misrepresentation he makes when acting within the scope of his employment.

While working as a sales agent, Keyser showed prospective purchasers different lots. The lots were subject to a drainage easement held by the Brazoria County Drainage District on the back 20 feet of each lot.

Keyser represented to the homeowners that the lots were oversized and that they were in fact larger than the lots of a competing builder in the subdivision and that even with the existence of the easement, the lots could be fenced along the back of the property line.

The homeowners paid a premium for these “oversized” lots. After their home was built, plaintiffs received a letter from the drainage district telling them that all the fences must be moved at the owner’s expense.

It was clear that Keyser personally participated in the sale of every home for the homeowners and personally made the representations about the size of the lot and location of the fence. He was the only person with whom the homeowners had any contact. Keyser alleged that he did not know his representations were false, but DTPA does not require that the consumer prove that an employee acted knowingly or intentionally.

Liability in a case is based on the agent’s own actions, not his status as an agent. Even though they were acting on behalf of the corporation, liability attaches because the officers themselves made the misrepresentations. The corporate agent is personally liable for his own fraudulent or tortious acts.

In the event an employee is held liable for knowingly passing along false company information, the employee can seek statutory contribution or indemnification from the employer.

‘As Is’

Larsen v. Langford & Associates, Inc., 41 S.W.3rd 245 (Tex. App. Waco, 2001), involves the second “as is” case out of the Waco Court of Appeals. A real estate broker (Larsen) and his wife who had access to the Multiple Listing Service were looking for a house in Corsicana, Texas. The house was described as historic, built in 1913, and that the home needed work. The property was listed with Carlene Langford & Associates, Inc. The broker, representing himself, requested to see the home. No one from the Langford office accompanied the Larsens to the home. They ultimately entered into a

residential Earnest Money Contract to purchase the home for \$65,000 through an assumption of the seller's loan. Langford was the seller's broker.

The buyer's broker represented himself. The buyers admitted learning of problems with the home before closing and also agreed to receiving a Seller's Disclosure Form before the closing and before signing the final inspection. The sellers did not fill out some parts of the Seller's Disclosure Form. The buyer, however, never requested that they complete the form.

After closing, the broker/buyer alleged common law fraud, statutory fraud, negligent misrepresentation, and violations of the DTPA. The court noted that all four causes of action were predicated on the reliance of the buyer on a representation made by the seller or the seller's agent. The court further noted that the box 7.D.1 was checked, which indicated that the home was purchased "as is."

The listing Broker also prepared another document which was signed by the buyers at closing which included the following clauses:

"I/We have been advised by the named Realtor/Real Estate Company to make any and all inspections of the subject property either by myself or anyone that I wish to employ, such as a licensed real estate inspector.

"I have made all inspections or have had an employee of my choice to make them for me. I accept the property in its present condition and am satisfied with the inspections and any repairs that were required.

"Brokers and sales associates shall not be liable or responsible for any inspections or repairs pursuant to this Contract and Addendum even in the event of a problem that has been overlooked by any or all parties involved in this transaction."

The court noted that enforceability of the "as is" agreement is determined: (1) in light of the sophistication of the parties; (2) the terms of the "as is" agreement; (3) whether the "as is" clause is freely negotiated; (4) whether it was an arm's length transaction; and (5) whether there was a knowing misrepresentation or concealment of a known fact.

The court noted that the transaction was conducted at arm's length, that both parties were similarly knowledgeable and sophisticated parties in the real estate business, *particularly in light of the fact that the buyer acted on his own behalf as a broker.*

The court also noted that the "as is" language was found in two separate documents, the preprinted Earnest Money Contract and the Final Inspection and Disclosure form.

The court held that by signing both agreements, the Larsens (buyers) explicitly agreed that they would accept the property in its present condition without requiring any repairs by the seller, that they had made their own inspection and, further, relinquishing Langford of any liability for the repairs known or unknown by the seller.

The relevant contract provisions were clearly unambiguously demonstrated. The Larsens' agreement to rely solely upon themselves, their own inspections or inspectors they chose and that the agreement affirmatively negated the element of each claim that the Langfords' conduct cause them any harm; the court further found that there is no inducement for the buyer to buy the house based on representations made by the broker and that the "as is" language effectively waived their rights to prevail under an allegation under the Deceptive Trade Practices Act.

Fair Housing

In *Meyer v. Holley*, ___ S.Ct. ___ (2003), the U.S.

Supreme Court considered an appeal from the Ninth Circuit concerning vicarious liability of an officer or owner of a real estate company as a result of any misconduct of a real estate agent. The Ninth Circuit had held that the Fair Housing Act imposed a strict liability beyond those traditionally associated with principal-agent relationships, and that Mr. Meyer was personally liable for the agent's violation of the Fair Housing Act. The Supreme Court reversed the Ninth Circuit's holding that while traditional agency principles "normally imposes vicarious

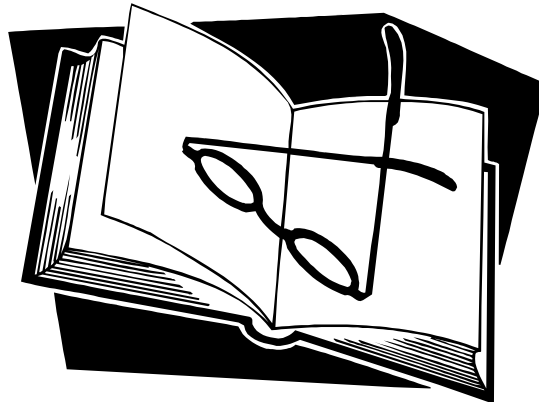
liability on the corporation" it did not impose that strict liability upon its officers or owners.

The court noted that "absent special circumstances, it is the corporation, not its owner or officer, who is the principal or employer subject to vicarious liability for the torts of its employees or agents."

The court noted that nothing in the Fair Housing Act or in its legislative history extended vicarious liability to the owners or officers individually.

In effect, the officers of the corporations could hide behind their corporate shield when it deals with the improper conduct of an agent as a corporate employee typically acts on behalf of the corporation, not as owner or officer.

The Court held that it would not uphold "a legal rule that would hold every corporate supervisor personally liable without fault for the unlawful act of every corporate employee whom he or she has the right to supervise."



Administrative Actions

Eulogio J. Tabisola, dba E.J. Tabisola Realty—REC 2001-34-L

In October 1997, the Commission issued a Final Order in a disciplinary action against Respondent Tabisola and another Respondent. The Commission ordered Respondent Tabisola to refund his share of the commission in a real estate transaction specified in the document.

The Final Order also ordered Respondent Tabisola to complete an education course as directed by the Commission within 120 days. Respondent failed to refund the money and also failed to take the specified education course.

RICO charged Respondent with failing to comply with the Final Order in violation of HRS §436B-19(17) (grounds for revocation or suspension of license).

The Hearings Officer recommended that the Commission suspend Respondent's real estate broker's license for five years.

The Commission accepted the recommendation of the Hearings Officer on July 30, 2003.

Maika'i Associates, Inc., Heidi Venable and Jean F. Brown—REC 2001-153-L

RICO was prepared to file a petition for disciplinary action alleging that Respondent Maika'i violated HRS §467-14(7) by failing to properly account for funds belonging to an association of apartment owners for which it served as property manager.

RICO further alleged that Respondent Maika'i violated

HRS §436B-19(16) by hiring an unlicensed contractor to perform tree-trimming services.

Under terms of a Settlement Agreement Prior to Filing of Petition for Disciplinary Action, Respondents agreed to pay a \$1,500 fine and make restitution to the association of apartment owners in the amount of \$2,733.57.

The Commission approved the Settlement Agreement on July 30, 2003.

Peter J. Haines—REC 2002-43-L

RICO was prepared to file a petition for disciplinary action against Respondent, alleging that he violated HRS §§436B-19 and 467-14 by aiding and abetting an unlicensed contractor and committing professional misconduct.

Under terms of a Settlement Agreement Prior to Filing of Petition for Disciplinary Action, Respondent admitted he violated HRS §436B-19(6) (aiding and abetting an unlicensed person to perform activities requiring a license), (7) (professional misconduct, incompetence, gross negligence, or manifest incapacity in the practice of the licensed profession), and HRS §467-14(8) (conduct constituting fraudulent or dishonest dealings) and (13) (violating this chapter; chapters 484, 514A, 514E, or 515; section 516-71; or the rules adopted pursuant thereto).

Respondent agreed to pay a \$3,000 fine.

The Commission approved the Settlement Agreement on July 30, 2003.

Not to worry if your PB goes holoholo

Your PB went holoholo*? For more than 30 days?

According to Hawaii Administrative Rules (HAR) §16-99-3, *Conduct*:

“**Prior to the time** the principal broker or the broker in charge is absent from the place of business for **more than thirty calendar days**, and no other broker in charge is registered with the principal place of business, the principal broker shall submit to the Commission a signed, written notification of the absence designating a temporary principal broker or temporary broker in charge, who shall acknowledge the temporary designation by signing the notification. In case of prolonged illness or death where the principal broker or broker in charge is unable to act, another broker shall be designated as the temporary principal broker or broker in charge within thirty days of the illness or death with appropriate notification to the Commission.

“A temporary principal broker or broker in charge arrangement shall not exceed six months, with the right to extend prior to expiration for another six months for good cause and with the approval of the Commission.” (*Emphasis added*)

The important thing to remember about §16-99-3, HAR, is to designate a temporary PB or BIC prior to the time of the absence of either the PB or BIC. This notification is done on the Commission's Change Form, available on the Commission's website at www.hawaii.gov/hirec.

This rule does not apply to instances where the PB or BIC has already left the brokerage and submitted a Change Form. If there is no PB or BIC, there is no responsible individual to designate the temporary PB or BIC.

Be aware that temporary principal broker and temporary broker in charge arrangements may not absolve the actual principal broker or broker in charge of any disciplinary action or liability.

Some principal brokers have an in-house policy of a higher standard of 10 days absence of a principal broker or broker in charge to prevent administrative problems.

* To go for a walk, ride, or sail; to go out for pleasure. (The Pocket Hawaiian Dictionary, Mary Kawena Pukui, Samuel H. Elbert, Esther T. Mookini, University of Hawaii Press, 1975)

Have a look at the real estate industry in transition

The 24th annual conference for the Real Estate Educators Association (REEA), "Make a Difference!," was held June 22-25, 2003 in Philadelphia, PA.

About 300 people attended, including representatives of state real estate commissions, education providers, instructors, testing and education development companies, state regulators, and members of numerous associations of REALTORS®.

The keynote speaker opening the conference was Jeremy Conaway of RECON Intelligence Services.

According to Conaway, the real estate industry is in transition.

He cited the continued lowering of the interest rate, record numbers of new agents, and the anticipation of 5.6 million transactions that would increase the size of the real estate industry this year from \$1.5 billion to a record \$2.5 billion.

Conaway emphasized the pivotal role of education in the transition of the real estate industry from what it has been for more than 50 years to an industry that is changing too fast for old-style agents and brokerages to keep up with.

In summary, broker profitability continues to decline dramatically. Say adios to "mom and pop" brokerages.

Fewer and fewer agents are interested in becoming brokers.

A "return on investment" becomes mandatory, and a new class of industry executive is emerging, with a new standard of performance.

Seventy percent of real estate companies are now owned by investors. Investors do not invest in losers.

There is a new attitude emerging in the industry: If you do not show a profit, then you're out on the street. The median age of brokers currently is 59. There is a shortage of management talent.

There is also a new consumer in the marketplace. The traditional real estate consumer was a subservient being. The real estate agents had control from beginning to end: "I'll take care of it; just shut up."

But the contemporary consumer has already spent an average of six to nine months on the Internet before he physically accesses an agent. The consumer may even know more than the agent does. And consumers know what they want.

The new consumer's attitude is, "You're here to work with us."

Consumers are looking for value, but value as they define it. Disintermediation (the diversion of savings from accounts with low fixed interest rates to direct investment in high-yielding instruments) is a reality.

We're not giving consumers what they want. They want things cheap and fast. Agents have failed to demonstrate value to the consumer.

Third-party power in the likes of a Lending Tree that boasts it is able to certify an "agent" in 45 minutes! They will spend \$92 million in advertising alone this year.

Consumers are desperate for information. The Virtual

Office Website feeds this hunger. The MLS has gone public. What can today's agents add to the value equation?

Create a new brokerage to meet new needs. The old model is dysfunctional. The market, the transaction, the shareholder, and the consumer have all changed. Systems and procedures will be the distinguishing feature of the new business model.

The oncoming epidemic: Mold is the nightmare. Asbestos is dead.

Insurance is bailing out; risk management becomes the key defense system and will force more changes than licensing laws. Insurance companies are upping their deductibles: for instance, the first 10 percent of legal coverage.

Standards of practice: The historical focus on the individual achievement of the agent will move to an environment of sustainable consumer experiences.

There will be a right way to do things. We know what these standards are; that's not the challenge. The problem will be incorporating these known standards into a knowledge management process that can capture the industry's heritage of standards and convert it into a brokerage asset called business operations and transactions.

There will be a new objective of creating long-term relationships with consumers.

More technology and more Internet knowledge, alternative delivery systems, "just in time" information and accepting responsibility for the updates in information.

There will be new outcome measurements—actionable knowledge, effective agent retention, increased productivity. The key is to control the distribution process, to allow agents to stay next to the customer.

Education will become more critical, the value of education more recognized; educators will assume more powerful roles, and education must be on the leading edge of this transition.

Standing committee meetings will be held on Garden Island

On Wednesday, September 10, the Real Estate Commission will convene its standing committee meetings in Lihue, Kauai.

The meetings are in keeping with Commission policy for holding committee sessions on the neighbor islands twice a year. Such sessions provide neighbor island members of the real estate community with an opportunity to attend the Laws and Rules Review, Education Review, and Condominium Review Committee meetings usually held on Oahu.

Committee members and participants engage in an interchange of information and questions about various concerns and issues. For more information about these sessions and meetings to be held in other months, see the meeting schedule on page 12.

Innovations Make Title Search Easier

Researching Hawaii land titles is now quicker and easier with the on-line posting of the general indexes of the Department of Land and Natural Resources' Bureau of Conveyances. Effective July 2003, indexes dating back to 1976 are available on the bureau's website.

The index is an alphabetical listing of all recorded transactions from 1976 and will be updated daily. The program will allow the public access to millions of entries contained in the indexes to assist in the search of land titles. Previously, information could be obtained only by visiting or calling the bureau for information.

If you need copies of documents, these may now be ordered on-line. Go to www.hawaii.gov/dlnr/bc, the Bureau of Conveyances website, and check out this brand new service.

For neighbor islanders without computer access, the bureau has established remote terminals in the Division of State Parks offices in Hilo, Lihue, and Wailuku. Public use in these offices is limited to a single computer and not intended for long-term usage by individuals.

The Bureau of Conveyances has experienced tremendous increases in recorded transactions over the last four years. Activity in fiscal year ending June 2000 reflected 275,000 recorded instruments. For fiscal year ending June 2003, the figure had jumped to 391,000. The increase is the result of a liberal refinance market and increased timeshare sales.

Carl Watanabe, registrar, Bureau of Conveyances, expects further enhancements to the bureau's computer system that will provide more current information and increased public access to the information.

Commission Names Update Consultant

At its June 27, 2003 monthly meeting, the Real Estate Commission (REC) approved RE3 LLC, Real Estate Services, as its consultant to revise and update the 20-year-old broker's curriculum. Wayne Richardson III, President and Principal Broker of RE3 LLC, and Janice Lind, most recently the Principal for Hawaii Institute of Real Estate, will be working on this long overdue project.

The request for Proposals (RFP) to solicit a consultant for the broker's curriculum project was sent two different times to 58 school principals, continuing education providers, precense and continuing education instructors, the boards of REALTORS®, and other interested parties. REC3 LLC was the only consultant to submit a proposal.

Included in the scope of services for the RFP is consideration of alternative delivery methods for the broker's curriculum, taking into consideration the low numbers of broker candidates who take the broker's precense course. Also included in the scope of services is the possibility of increasing the number of hours for the broker's curriculum, subject to REC approval. The possibility of increasing the number of hours for the broker's curriculum may depend on incorporating additional topics, such as Internet advertising, principal broker and broker-in-charge responsibilities based on Hawaii Revised Statutes §467-1.6, limited liability partnerships and corporations, and other topics the consultant may recommend for inclusion.

The target date for completion of the updated broker's curriculum is mid-November 2003, subject to budgetary and time requirements.

Continuing Education Providers

PROVIDER

TELEPHONE

ABE LEE SEMINARS	988-3751
AKAHI REAL ESTATE NETWORK LLC	331-2008
BRIAN R THOMAS DBA EDVENTURES	885-2117
COLDWELL BANKER PACIFIC PROPERTIES	947-8102
CONTINUING-ED-ONLINE.ORG	(206) 523-9801
DOWER SCHOOL OF REAL ESTATE	735-8838
DUPLANTY SCHOOL OF REAL ESTATE	737-5509
EDDIE FLORES REAL ESTATE	951-9888
FAHRNI SCHOOL OF REAL ESTATE	486-4166
HAWAII ASSOCIATION OF REALTORS	733-7060
HAWAII CCIM CHAPTER	528-2246
HONOLULU BOARD OF REALTORS	732-3000
JOHN REILLY	John@InternetCrusade.com
KAUAI BOARD OF REALTORS	245-4049
KONA BOARD OF REALTORS INC	329-4874
LISHAN Z. CHONG	524-1505
LYNN W CARLSON	874-4064
REALTORS ASSN OF MAUI INC	873-8585
RUSS GOODE SEMINARS	597-1111
SEILER SCHOOL OF REAL ESTATE	874-3100
THOMAS J DOUMA	879-6000
UNIVERSITY OF HAWAII AT MANOA	956-8244
WAIKIKI REALTY REAL ESTATE SCHOOL	955-8282

Scheduled Continuing Education

An updated schedule is available at <http://www.hawaii.gov/hirec>. Courses are subject to change or cancellation. Please check directly with the provider to confirm date, time, and location.

Courses with a (c) are approved 2003-2004 core courses and receive 4 hours credit. All other courses are electives and receive 3 hours credit. If you are taking courses to reactivate an inactive license this year, you must first satisfy the prescribed continuing education hours of one prior renewal period. In lieu of core courses, licensees who wish to reactivate a license need at least 10 credit hours of continuing education or 4 continuing education elective courses.

If you are restoring a real estate license, telephone the Licensing Branch at 808-586-3000 for specific instructions and information.

OAHU

DATE	TIME	COURSE	PROVIDER	LOCATION	CITY	INSTRUCTOR
8/18/2003	09:00a	ESSENTIALS OF THE DROA	HNL BOARD OF REALTORS	HNL BOARD OF REALTORS	HONOLULU	BARTA
8/21/2003	03:00p	FORECLOSURE & THE ROLE OF THE COMMISSIONER	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	FLORES JR
8/21/2003	08:30a	HAWAII LANDLORD-TENANT CODE	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	GOODE JR
8/21/2003	09:00a	NAR CODE OF ETHICS MADE EASY	HNL BOARD OF REALTORS	HBR HOLOMUA ROOM	HONOLULU	VANMANEN
8/21/2003	12:00p	FEDERAL LAWS THAT AFFECT LICENSEES	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	CHONG
8/30/2003	09:30a	HOT REAL ESTATE ISSUES 2001/02	EDDIE FLORES RE	KUMAI REALTY, INC.	AIEA	CHONG
9/10/2003	01:30p	INTERMEDIATE INTERNET RESEARCH	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
9/10/2003	05:30p	ZONING-ISSUES, PROBLEMS, QUESTIONS, ANSWERS	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
9/20/2003	09:30a	HOMEOWNER'S TAX STRATEGIES	EDDIE FLORES RE	KUMAI REALTY, INC.	AIEA	FLORES JR
9/22/2003	09:00a	LEGAL ISSUES	HNL BOARD OF REALTORS	HBR HOLOMUA ROOM	HONOLULU	STONE
9/24/2003	02:00p	MORTGAGES, FNMA, FICO, ETC.	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
9/24/2003	06:00p	COMPUTERS, INTERNET & THE LICENSEE	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
9/25/2003	03:00p	AVOID LITIGATION - HOW TO DETECT RED FLAGS	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	FLORES JR
9/25/2003	08:30a	HOMEOWNER'S TAX STRATEGIES	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	AMBARD
9/25/2003	12:00p	RESIDENTIAL AND COMMERCIAL EVICTIONS	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	ARAKAKI
10/8/2003	01:00p	DEVELOPING SMALL PROPERTIES	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
10/8/2003	09:00a	CONDO DEVELOPMENT PROCESS	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
10/9/2003	09:00a	NAR CODE OF ETHICS MADE EASY	HNL BOARD OF REALTORS	HBR HOLOMUA ROOM	HONOLULU	VANMANEN
10/22/2003	01:30p	UNDERSTANDING CONTRACTS PART I	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
10/22/2003	05:30p	UNDERSTANDING CONTRACTS PART II	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
10/23/2003	03:00p	HOW TO LIST & SELL BUSINESS OPPORTUNITIES	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	FLORES JR
10/23/2003	09:00a	NAR CODE OF ETHICS MADE EASY	HNL BOARD OF REALTORS	HBR HOLOMUA ROOM	HONOLULU	VANMANEN
10/23/2003	12:00p	HOT REAL ESTATE ISSUES 2001/02	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	GOODE JR
11/3/2003	09:00a	ESSENTIALS OF LISTING	HNL BOARD OF REALTORS	HNL BOARD OF REALTORS	HONOLULU	NISHIHARA
11/7/2003	09:00a	NAR CODE OF ETHICS MADE EASY	HNL BOARD OF REALTORS	HBR HOLOMUA ROOM	HONOLULU	VANMANEN
11/10/2003	09:00a	ESSENTIALS OF FINANCE	HNL BOARD OF REALTORS	HNL BOARD OF REALTORS	HONOLULU	LI

DATE	TIME	COURSE	PROVIDER	LOCATION	CITY	INSTRUCTOR
11/12/2003	06:00p	WILLS, TRUSTS & REAL ESTATE	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
11/12/2003	09:00a	UNDERSTANDING CONTRACTS PART III	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
11/13/2003	09:00a	NAR CODE OF ETHICS MADE EASY	HNL BOARD OF REALTORS	HBR HOLOMUA ROOM	HONOLULU	VANMANEN
11/17/2003	09:00a	ESSENTIALS OF THE DROA	HNL BOARD OF REALTORS	HNL BOARD OF REALTORS	HONOLULU	CHONG
11/20/2003	03:00p	HAWAII LANDLORD-TENANT CODE	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	FLORES JR
11/20/2003	12:00p	PITFALLS IN MANAGING RESIDENTIAL PROPERTIES	EDDIE FLORES REAL ESTATE	UNIVERSITY PLAZA BLDG	HONOLULU	AMBARD
12/1/2003	09:00a	CONTRACTS	HNL BOARD OF REALTORS	1136 12TH AVE, HOLOMUA ROOM	HONOLULU	KUWAHARA
12/10/2003	05:30p	PERMITS, PERMITS	ABE LEE SEMINARS	1585 KAPIOLANI BLVD STE 1530	HONOLULU	LEE
12/18/2003	03:00p	HOMEOWNER'S TAX STRATEGIES	EDDIE FLORES RE	UNIVERSITY PLAZA BLDG	HONOLULU	FLORES JR
12/18/2003	09:00a	NAR CODE OF ETHICS MADE EASY	HNL BOARD OF REALTORS	HBR HOLOMUA ROOM	HONOLULU	VANMANEN
12/18/2003	12:00p	RES., COMMERCIAL EVICTIONS	EDDIE FLORES REAL ESTATE	UNIVERSITY PLAZA BLDG	HONOLULU	ARAKAKI
KAUAI						
DATE	TIME	COURSE	PROVIDER	LOCATION	CITY	INSTRUCTOR
10/8/2003	08:30a	ESSENTIALS OF LISTING	KAUAI BD OF REALTORS	KAUAI MARRIOTT HOTEL-PUNA BA	LIHUE	BESSERT
10/9/2003	08:30a	ESSENTIALS OF FINANCE	KAUAI BD OF REALTORS	KAUAI MARRIOTT HOTEL-PUNA BA	LIHUE	CURTIS
10/10/2003	08:30a	ESSENTIALS OF THE DROA	KAUAI BD OF REALTORS	KAUAI MARRIOTT HOTEL-PUNA BA	LIHUE	COBB
10/22/2003	08:30a	RESIDENTIAL TAX RULES, §1031 EXCHANGE, & FOREIGN INVESTORS	KAUAI BOARD OF REALTORS	RADISSON KAUAI BEACH RESORT	LIHUE	JENSEN
HAWAII						
DATE	TIME	COURSE	PROVIDER	LOCATION	CITY	INSTRUCTOR
8/22/2003	09:00a	DISCLOSURE	HI ASSN OF REALTORS	HI ISLAND BOARD OF REALTORS	HILO	CHONG
9/26/2003	09:00a	AT HOME WITH DIVERSITY ONE AMERICA	HI ASSN OF REALTORS DIVERSITY	HI ISLAND BOARD OF REALTORS	HILO	SYKES
10/31/2003	09:00a	ANALYSIS OF INVESTMENT RE	HI ASSN OF REALTORS	HI ISLAND BOARD OF REALTORS	HILO	CRIZ
11/7/2003	09:00a	DISCLOSURE	HI ASSN OF REALTORS	HI ISLAND BOARD OF REALTORS	HILO	KUWAHARA
11/24/2003	0900	ESSENTIALS OF FINANCE	HI ASSN OF REALTORS	HI ISLAND BOARD OF REALTORS	HILO	LEWIS
12/12/2003	09:00a	RESIDENTIAL TAX RULES, §1031 EXCHANGE, & FOREIGN INVESTORS	HI ASSN OF REALTORS	HI ISLAND BOARD OF REALTORS	HILO	JENSEN
KONA						
DATE	TIME	COURSE	PROVIDER	LOCATION	CITY	INSTRUCTOR
9/3/2003	09:00a	ESSENTIALS OF LISTING	KONA BOARD OF REALTORS	KONA BOARD OF REALTORS	KAILUA-	SPADINGER
9/6/2003	09:00a	ESSENTIALS OF LISTING	HI ASSN OF REALTORS	PARKER SCHOOL	KAMUELA	GOODALE
9/9/2003	09:00a	ESSENTIALS OF THE DROA	KONA BOARD OF REALTORS	KONA BOARD OF REALTORS	KAILUA-	SPADINGER
9/10/2003	09:00a	FINANCE	KONA BOARD OF REALTORS	ROYAL KONA RESORT	KAILUA-	LOVENTHAL
9/13/2003	09:00a	ESSENTIALS OF FINANCE	HI ASSN OF REALTORS	PARKER SCHOOL	KAMUEAL	LEWIS
9/17/2003	09:00a	ESSENTIALS OF FINANCE	KONA BOARD OF REALTORS	KONA BOARD OF REALTORS	KAILUA-	SPADINGER
10/8/2003	09:00a	(C) AGENCY, PRACTICAL ETHICS, AND FAIR HOUSING	KONA BOARD OF REALTORS	ROYAL KONA RESORT	KAILUA-	SYKES
11/15/2003	09:00a	ESSENTIALS OF THE DROA	II ASSN OF REALTORS	PARKER SCHOOL	KAMUELA	BEGIER
11/17/2003	09:00a	ESSENTIALS OF LISTING	HI ASSN OF REALTORS	CLARK REALTY CORP-KONA CONF.	KAILUA-	GOODALE
MAUI						
DATE	TIME	COURSE	PROVIDER	LOCATION	CITY	INSTRUCTOR
9/12/2003	09:00a	PROPERTY MANAGEMENT & LANDLORD/TENANT	REALTORS ASSN OF MAUI	REALTORS ASSOC. OF MAUI	KAHULUI	RAMSEY

DATE	TIME	COURSE	PROVIDER	LOCATION	CITY	INSTRUCTOR
10/14/2003	09:00a	ESSENTIALS OF LISTING	REALTORS ASSN OF MAUI	REALTORS ASSN OF MAUI	KAHULUI	HOLIDAY
10/15/2003	09:00a	ESSENTIALS OF THE DROA	REALTORS ASSN OF MAUI	REALTORS ASSN OF MAUI	KAHULUI	HAY
10/16/2003	09:00a	ESSENTIALS OF FINANCE	REALTORS ASSN OF MAUI	REALTORS ASSN OF MAUI	KAHULUI	HOLIDAY
10/17/2003	09:00a	(C) AGENCY, PRACTICAL ETHICS, AND FAIR HOUSING	REALTORS ASSN OF MAUI	REALTORS ASSN OF MAUI	KAHULUI	KUWAHARA
11/7/2003	09:00a	LEGAL ISSUES	REALTORS ASSN OF MAUI I	REALTORS ASSN OF MAUI	KAHULUI	STONE

OTHER

COURSE	PROVIDER	DESCRIPTION	INSTRUCTOR
FAIR HOUSING	CONTINUING-ED-ONLINE.ORG	INTERNET COURSE	MYERS
BUYER REPRESENTATION IN REAL ESTATE	CONTINUING-ED-ONLINE.ORG	INTERNET COURSE	MYERS
RISK MANAGEMENT	CONTINUING-ED-ONLINE.ORG	INTERNET COURSE	MYERS
ETHICS AND REAL ESTATE	CONTINUING-ED-ONLINE.ORG	INTERNET COURSE	MYERS
INVESTMENT PROPERTY PRACTICE & MANAGEMENT	CONTINUING-ED-ONLINE.ORG	INTERNET COURSE	MYERS
REAL ESTATE FINANCE AND TAX ISSUES	CONTINUING-ED-ONLINE.ORG	INTERNET COURSE	MYERS
PROPERTY MANAGEMENT AND MANAGING RISK	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
REAL ESTATE FINANCE TODAY	ABE LEE SEMINARS	INTERNET COURSE	LEE
REAL ESTATE FINANCE AND TAX ISSUES	CONTINUING-ED-ONLINE.ORG	INTERNET COURSE	MYERS
PROPERTY MANAGEMENT AND MANAGING RISK	FAHRNI SCHOOL OF REAL ESTATE	INTERNET COURSE	FAHRNI
ETHICS AND REAL ESTATE	DOWER SCHOOL OF REAL ESTATE	COMPUTER & INTERNET COURSE	DOWER
RED FLAGS PROPERTY INSPECTION GUIDE	ABE LEE SEMINARS	INTERNET COURSE	LEE
REAL ESTATE FINANCE TODAY	ABE LEE SEMINARS	INTERNET COURSE	LEE
ENVIRONMENTAL ISSUES IN RE PRACTICE	ABE LEE SEMINARS	INTERNET COURSE	LEE
RISK MANAGEMENT	SEILER SCHOOL OF REAL ESTATE	INTERNET COURSE	SEILER
REAL ESTATE FINANCE TODAY	SEILER SCHOOL OF REAL ESTATE	INTERNET COURSE	SEILER
RE & TAXES, WHAT EVERY AGENT SHOULD KNOW	SEILER SCHOOL OF REAL ESTATE	INTERNET COURSE	SEILER
PROPERTY MANAGEMENT AND MANAGING RISK	SEILER SCHOOL OF REAL ESTATE	INTERNET COURSE	SEILER
INTRO TO COMMERCIAL REAL ESTATE SALES	SEILER SCHOOL OF REAL ESTATE	INTERNET COURSE	SEILER
ETHICS AND REAL ESTATE	SEILER SCHOOL OF REAL ESTATE	INTERNET COURSE	SEILER
ENVIRONMENTAL ISSUES IN RE PRACTICE	ABE LEE SEMINARS	INTERNET COURSE	LEE
RISK MANAGEMENT	FAHRNI SCHOOL OF REAL ESTATE	INTERNET COURSE	FAHRNI
FAIR HOUSING	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
INTRODUCTION TO COMMERCIAL RE SALES	FAHRNI SCHOOL OF REAL ESTATE	INTERNET COURSE	FAHRNI
FAIR HOUSING	FAHRNI SCHOOL OF REAL ESTATE	INTERNET COURSE	FAHRNI
DIVERSITY AND DOING BUSINESS	FAHRNI SCHOOL OF REAL ESTATE	INTERNET COURSE	FAHRNI
BUYER REPRESENTATION IN REAL ESTATE	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
RISK MANAGEMENT	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
DIVERSITY AND DOING BUSINESS	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
REAL ESTATE FINANCE TODAY	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
INTRODUCTION TO COMMERCIAL RE SALES	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
RE AND TAXES. WHAT EVERY AGENT SHOULD KNOW	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
RED FLAGS PROPERTY INSPECTION GUIDE	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
ENVIRONMENTAL CONSIDERATIONS IN REAL ESTATE	DOWER SCHOOL OF REAL ESTATE	INTERNET/COMPUTER COURSE	DOWER
BUYER REPRESENTATION IN REAL ESTATE	SEILER SCHOOL OF REAL ESTATE	INTERNET COURSE	SEILER

Real Estate Commission 2003 Meeting Schedule

Laws & Rules Review Committee—9 a.m.

Education Review Committee—Upon adjournment of the Laws & Rules Review Committee Meeting

Condominium Review Committee—Upon adjournment of the Education Review Committee Meeting

Wednesday, August 13, 2003—Kapuaiwa Room

Wednesday, September 10, 2003—Lihue, Kauai*

Wednesday, October 8, 2003—Kapuaiwa Room

Wednesday, November 12, 2003—Kapuaiwa Room

Thursday, December 11, 2003—Kapuaiwa Room

Real Estate Commission—9 a.m.

Friday, August 29, 2003—Kapuaiwa Room

Friday, September 26, 2003—Kapuaiwa Room

Friday, October 31, 2003—Kapuaiwa Room

Wednesday, November 26, 2003—Kapuaiwa Room

Friday, December 12, 2003—Kapuaiwa Room

All meetings will be held in the HRH Princess Victoria Kamamalu Building, located at 1010 Richards Street, Second Floor, Honolulu, Hawaii, *except* the September 10, 2003 meetings, which will be held in Conference Rooms A, B, and C of the State Office Building, located at 3060 Eiwa Street, Second Floor, Lihue, Kauai.

*The Laws and Rules Review Committee meeting scheduled for September 20, 2003 will convene at 9:30 a.m., to be followed upon adjournment by the Education Review Committee meeting and the Condominium Review Committee meeting.

Meeting dates, locations, and times are subject to change without notice. Please visit the Commission's website at www.hawaii.gov/hirec or call the Real Estate Commission's Office at 586-2643 to confirm the dates, times, and locations of the meetings. This material can be made available to individuals with special needs. Please contact the Executive Officer at 586-2643 to submit your request.

**State of Hawaii
Real Estate Commission Bulletin
250 South King Street, Room 702
Honolulu, Hawaii 96813**

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