

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: August 8, 2012

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

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

Present: Walter Harvey, Chair / Broker / Honolulu Commissioner
Aileen Wada, Vice Chair / Broker / Honolulu Commissioner
Rowena B. Cobb, Broker / Kauai Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner
Frances T. Gendrano, Broker / Honolulu Commissioner
Bruce Faulkner, Broker / Maui Island Commissioner
Nikki T. Senter, Public / Honolulu Commissioner
Scott A. Sherley, Broker / Hawaii Island Commissioner
Scott Arakaki, Public/Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
Amy Endo, Real Estate Specialist
David J. Grupen, Real Estate Specialist
Benedyne Stone, Condominium Specialist
Shari Wong, Deputy Attorney General
Amy Fujioka, Recording Secretary

Others: Aron Espinueva, Hawaii Association of REALTORS®
Marsha Shimizu, Hawaii Association of REALTORS®
Beth Holiday, Inner Dynamics
Stephen P. Pingree, Pacific Center for Professional Education

Call to Order: The Chair called the meeting to order at 9:32 a.m., at which time quorum was established.

Chair's Report: The Chair stated the Committee 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 to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with section 92-5(a)(4), HRS. Commissioner Wada was excused from the meeting. Prior notification of her non-attendance was received.

Real Estate
Specialist's Report:

Additional Distribution

The following was distributed as additional distribution:

4.b.3) Course – “Money Laundering for Real Estate Professionals”; Author/Owner: John Madinger; Provider: TBD; Course Category: Risk Management; Clock Hours: 6

Minutes of Previous Meeting

Upon a motion by Commissioner Sherley, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the minutes of the July 11, 2012, Education Review Committee meeting.

Continuing Education: Applications

New Salespersons Licensed in 2012

A report of new salespersons licensed in 2012 was distributed to the Commissioners for their information.

2011-2012 Continuing Education Providers and Courses Ratification List

Upon a motion by Commissioner Gendrano, seconded by Commissioner Faulkner, it was voted on and unanimously carried to ratify the following:

<u>Registration/Certification</u>	<u>Effective Date</u>
"CIPS Europe and International Real Estate" ARELLO/Hawaii Association of REALTORS®	07/09/2012
"e-PRO®" National Association of REALTORS/Hawaii Association of REALTORS®	07/09/2012
"CIPS The Americas and International Real Estate" National Association of REALTORS/Hawaii Association of REALTORS®	07/09/2012
"Hawaii Legislative Update 2012 & Foreclosure Dispute Resolution Revisited" ERA School of Real Estate/Scott Sherley	07/13/2012
"e-PRO®" National Association of REALTORS/Honolulu Board of REALTORS®	07/26/2012

Course – “Listing Agreements”; Author/Owner: McKissock, LP; Provider: McKissock, LP; Course Category: Contracts; Clock Hours: 4

Senior Real Estate Specialist Fujimura stated that this course is being offered as an on-line course.

The Commissioners expressed concerns that the course seems to be generic and not Hawaii-specific. Commissioner Sherley stated that previous courses were sent back to have Hawaii content added in. Commissioners Cobb and Senter agreed about the course being generic, but teaching the concepts of the listing agreement was

acceptable. Adding in content on Hawaii laws and current practices was also recommended.

Senior Real Estate Specialist Fujimura stated that she was doubtful that changes would be made to the course since the course is being submitted by a mainland group. She also stated that in years past, standard forms have always been included in the prelicense curriculum without question and continuing education courses based on teaching the standard forms have been approved. However, there are now concerns about allowing continuing education credit for courses which teach the use of HAR's standard forms, when not all licensees are members of a board of REALTORS®.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Sherley, it was voted on and unanimously carried to take the matter under advisement.

Course – “Money Laundering for Real Estate Professionals”; Author/Owner: John Madinger; Provider: TBD; Course Category: Risk Management; Clock Hours: 6

The title of the course is changed to "Money Laundering in the Real Estate Industry."

Mr. Stephen P. Pingree was present to answer any questions from the committee. Mr. Pingree reported that the course is based on the book, "Money Laundering: A Guide for Criminal Investigators, 3rd Edition" by John Madinger. He added that the author is very familiar with money laundering situations in Hawaii. The course is relevant to real estate licensees as it deals directly and indirectly with cash transactions such as flipping real estate using laundered money and its impact on the consumer. Real estate licensees should be able to recognize suspicious transactions and understand the laws relating to money laundering and mortgage fraud.

Commissioner Harvey commented that real estate is not mentioned until the end of the course. He also questioned why the course is being offered as a 6 hour course since real estate is mentioned so briefly.

Commissioner Faulkner questioned the term, "weight of money" on page 6. Mr. Pingree explained that the term relates to the actual weight of drugs used in money laundering.

Commissioner Wada questioned the quantity of real estate properties seized in Hawaii. Mr. Pingree stated there have been over 100 properties seized in the past few years, however, there has not been much publicity regarding asset seizure.

Upon a motion by Commissioner Sherley, seconded by Commissioner Gendrano, it was voted on and unanimously carried to take the matter under advisement.

Course – “Raising Standards in Buyer Representation;” Author/Owner: Beth Holiday; Provider: Hawaii Association of REALTORS®; Course Categories: Contracts, Risk Management, Other – Increasing licensee’s professionalism with buyers; Clock Hours: 3

Ms. Beth Holiday was present to answer any questions from the committee. Ms. Holiday explained that there is minimal preparation for representing buyers. The relationships and conflicts that are created between customers and agents need exploring. Licensees need to be trained on how to treat and deal with buyer's agents. This course would include discussion of the code of ethics and how it influences buyer relationships and Buyer Representation Contracts.

Upon a motion by Commissioner Sherley, seconded by Commissioner Gendrano, it was voted on and unanimously carried to take the matter under advisement.

Provider – Real Class Inc.; Administrator – Scott A. Sherley

Mr. Scott Sherley was present to answer any questions from the committee. Mr. Sherley explained that he was applying as a new continuing education provider. Upon a motion by Commissioner Kuriyama, seconded by Commissioner Gendrano, it was voted on and unanimously carried to take the matter under advisement.

Continuing Education Core Course

Senior Real Estate Specialist Fujimura reported that there is an option to renew the contract with Pacific Real Estate Institute to develop the Commission's core course for the 2013-2014 biennium.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve renewal of the contract with Pacific Real Estate Institute to develop the Commission's core course for the 2013-2014 biennium.

Administration of
Examinations:

PSI

Licensing Examination Statistics – July 2012

Examination statistics for July 2012 were distributed to the Commissioners for their information.

School Pass/Fail Rates – July 2012

School pass/fail rate statistics for July 2012 were distributed to the Commissioners for their information.

School Summary by Test Category – July 2012

Copies of the July 2012 test category summary reports, by school, were distributed to the Commissioners for their information.

Executive Session:

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Sherley, 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;" and 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 Gendrano, seconded by Commissioner Sherley, it was voted on and unanimously carried to move out of executive session.

Continuing Education: Applications:

Course – "Listing Agreements"; Author/Owner: McKissock, LP.; Provider: McKissock, LP; Course Category: Contracts; Clock Hours: 4

The Commissioners were concerned with the generic content of the course and how to direct licensees to Hawaii specific information. Commissioner Faulkner moved to approve "Listing Agreements" as a three hour continuing education elective course, under the course category Contracts, subject to amendment of the title, "Listing Agreement - Concepts", changing the amount of continuing education credit from four to three credit hours because the course materials are not Hawaii-specific, and cautioning licensees to reference Hawaii licensing laws and rules. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Course – “Money Laundering for Real Estate Professionals”; Author/Owner: John Madinger; Provider: TBD; Course Category: Risk Management; Clock Hours: 6

Upon a motion by Commissioner Gendrano moved to approve "Money Laundering in the Real Estate Industry" as a three-hour continuing education elective course, under the course category Risk Management, subject to the following recommendations: shortening the course to three hours from the original six hours and integrating Hawaii-specific real estate cases to illustrate the asset forfeiture consequences of money laundering. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Course – “Raising Standards in Buyer Representation;” Author/Owner: Beth Holiday; Provider: Hawaii Association of REALTORS®; Course Categories: Contracts, Risk Management, Other – Increasing licensee’s professionalism with buyers; Clock Hours: 3

Upon a motion by Commissioner Faulkner moved to approve "Raising Standards in Buyer Representation" as a three-hour continuing education elective course, under the course category Contracts, Risk Management, Other – Increasing Licensee's Professionalism with Buyers. Commissioner Gendrano seconded the motion. The motion was voted on and unanimously carried.

Provider – Real Class Inc.; Administrator – Scott A. Sherley

Commissioner Sherley recused himself from discussion and decision making. Upon a motion by Commissioner Cobb, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve Real Class, Inc. as a continuing education provider.

Educator’s Forum: Hawaii Association of REALTORS® – No discussion presented.

Public and Private Institutions of Higher Education – No discussion presented.

Program of Work: Neighbor Island Outreach

The next Neighbor Island Outreach is scheduled to be held on September 12, 2012, at the Hawaii Innovation Center, University of Hawaii at Hilo.

Real Estate Specialists' Office for the Day

The next Real Estate Specialists' office for the Day is scheduled to be held on September 12, 2012, at the Hawaii Innovation Center, University of Hawaii at Hilo.

Annual Report, Quarterly Bulletin, and School Files

Senior Real Estate Specialist Fujimura reported that the Real Estate Bulletin will be distributed later this month and contains the last component of the core course – the 2012 legislative update and an article clarifying changes to Act 48, SLH 2011, as passed in Act 182, SLH 2012.

Budget and Finance
Report:

No report.

Next Meeting:

Wednesday, on September 12, 2012

Upon adjournment of the Condominium Review Committee Meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.

Hawaii Innovation Center, University of Hawaii at Hilo

Adjournment:

With no further business to discuss, Chair Harvey adjourned the meeting at 10:15 a.m.

Reviewed and approved by:

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

August 20, 2012
Date

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