

**EDUCATION REVIEW COMMITTEE**  
REAL ESTATE COMMISSION  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
www.state.hi.us/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: Thursday, December 12, 2002

Time: 10:00 a.m.

Place: HRH Princess Victoria Kamamalu Building  
1010 Richards Street, Second Floor  
Honolulu, Hawaii

Present: Patricia Choi, Chair  
Vern Yamanaka, Vice Chair  
Louis Abrams, Member  
Mitchell Imanaka, Member  
Kathleen Kagawa, Member  
John Ohama, Member  
Iris Okawa, Member  
Peter Rice, Member

Calvin Kimura, Supervising Executive Officer  
Alan Taniguchi, Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Russell Wong, Real Estate Specialist  
Lorene Arata, Real Estate Specialist  
Cynthia Yee, Senior Condominium Specialist  
Cheryl Leong, Condominium Specialist  
David Grupen, Condominium Specialist  
Shari Wong, Deputy Attorney General  
Karyn Takahashi, Recording Secretary

Jon Hudson, Prelicense Instructor  
Ralph Foulger, Century 21 Real Estate School

Excused: Marshall Chinen, Member

Call to Order: Chair Choi called the meeting to order at 10:01 a.m., at which time quorum was established.

Chair's Report: No report presented. Chair Choi wished everyone a happy and safe holiday season.

Sr. Real Estate Specialist's Report: Announcements, Introduction, Correspondence, and Additional Distribution

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Rice, it was voted on and unanimously carried to add the following to the agenda:

5. Prelicensing Education Administration, Curriculum, Schools, Instructors, and Equivalency
  - a. Administrative Issues – Seiler School of Real Estate – Independent Study Course Evaluation Forms (9)

- b. Applications
  - 3) Ralph Foulger Request
- 6. Administration of Examinations
  - a. Promissor – 2003 Promissor Holiday/Non-testing Schedule

Minutes of Meetings

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Rice, it was voted on and unanimously carried to accept the minutes of the November 22, 2002, Education Review Committee meeting as distributed.

Prelicense Education: **Prelicense School – Hudson Real Estate School, Principal: Jon Hudson, effective date January 1, 2003 – Deferred from November 13, 2002 meeting and request appearance of Mr. Hudson**

Mr. Hudson was asked if he wished to have the application considered in executive session. Mr. Hudson declined the offer.

Senior Specialist Fujimura stated that this issue was deferred from the November 13, 2002 meeting.

Commissioner Ohama inquired if Mr. Hudson was able to go through the curriculum and make it current. Mr. Hudson replied yes, he went through it very carefully.

Senior Specialist Fujimura stated that she and Mr. Hudson corresponded several times and there initially was a question as to the accuracy of his curriculum information. She stated that it is the principal's responsibility to make sure that information is updated and accurate—it is important that the student gets correct information. She added that the Hawaii Administrative Rules allow for unannounced monitoring.

Commissioner Yamanaka inquired if Mr. Hudson will be doing all the instructing. Mr. Hudson replied yes, the first year of operation is setting up and getting started.

Commissioner Yamanaka asked who will instruct the class if Mr. Hudson is not available. Mr. Hudson replied that Ralph Foulger will instruct in his absence. Mr. Foulger, who was present in the audience, added that he and Mr. Hudson back each other up.

Commissioner Okawa stated that there are concerns about timeliness of responses to Commission and/or Staff concerns and compliance with requests. Mr. Hudson replied that he personally came to the office and spoke with Diane Choy Fujimura.

Commissioner Okawa stated she is glad to see that Mr. Hudson is now in compliance and when issues are raised he will respond in a timely manner.

Chair Choi thanked Mr. Hudson for attending today's meeting.

**Ralph Foulger Request**

Senior Specialist Fujimura stated that Mr. Foulger has a pending prelicense instructor renewal application and he was unable to take the required Instructor's Development Workshop (IDW).

Mr. Foulger stated that he was planning to take the recent IDW; however, the weekend the IDW was offered was the weekend that he was moving from Kona to Honolulu. He stated that he is requesting a temporary waiver of the IDW requirement and will take the first available IDW in 2003.

Senior Specialist Fujimura stated that she spoke with Marsha Shimizu of the Hawaii Association of REALTORS® (HAR) and the HAR is planning to offer an IDW in February 2003.

Mr. Foulger added that he has searched the internet trying to find an IDW, even on the mainland, but was unable to find one.

Commissioner Abrams inquired how many courses Mr. Foulger is planning on offering. Mr. Foulger replied he is planning three to four courses beginning January 1<sup>st</sup> till the offering of the HAR IDW.

SEO Kimura stated that the Committee could recommend conditional approval.

Upon a motion by Commissioner Ohama, seconded by Commission Imanaka, it was voted on and unanimously carried to recommend approval of a conditional prelicense instructor renewal subject to taking IDW currently scheduled for February 2003, sponsored by the Hawaii Association of REALTORS® or be on inactive status.

Continuing Education: Administrative Issues

#### **Renewals/CE Requirements/2002 Salespersons Statistics**

Senior Specialist Fujimura reported that as of December 10<sup>th</sup>, 8,239 licensees completed their continuing education requirement and 1,185 new real estate salespersons were licensed this year.

#### Applications

#### **2003-2004 Continuing Education Providers and Courses Ratification List**

Upon a motion by Commissioner Okawa, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of the following registrations/certifications:

<u>Registration/Certification</u>	<u>Effective Date</u>
<b>Provider (s)</b>	
Seiler School of Real Estate (Administrator: Ricardo D. Seiler)	January 1, 2003
Brian R. Thomas dba EdVenture (Administrator: Brian R. Thomas)	January 1, 2003
Coldwell Banker Pacific Properties Real Estate School (Administrator: Barbara Dew)	January 1, 2003
Lynn W. Carlson (Administrator: Lynn W. Carlson)	January 1, 2003

University of Hawaii at Manoa, Small Business Management Program-Outreach College  
(Administrator: Dr. Pamela Fujita-Starck) January 1, 2003

Lishan Chong dba Pacific Real Estate Institute  
(Administrator: Lishan Chong) January 1, 2003

Eddie Flores Real Estate Continuing Education  
(Administrator: Eddie Flores, Jr.) January 1, 2003

Akahi Real Estate Network, LLC  
(Administrator: Jay J. Spadinger) January 1, 2003

**Course(s)**

“Buyer Representation in Real Estate”  
“Ethics and Real Estate”  
“Introduction to Commercial Real Estate Sales”  
“Property Management and Managing Risk”  
“Real Estate and Taxes, What Every Agent Should Know”  
“Real Estate Finance Today”  
“Risk Management”  
(ARELLO certified courses/Seiler School of Real Estate) January 1, 2003

“Diversity and Doing Business”  
“Fair Housing”  
“Buyer Representation In Real Estate”  
“Introduction to Commercial Real Estate Sales”  
“Property Management and Managing Risk”  
“Real Estate Finance Today”  
“Red Flags Property Inspection Guide”  
“Risk Management”  
“Environmental Considerations in Real Estate”  
“Real Estate and Taxes. What Every Agent Should Know”  
(Dearborn Real Estate Education/Dower School of Real Estate) January 1, 2003

“Residential Landlord Tenant Code”  
(Brian R. Thomas) January 1, 2003

“ASHI Standards”  
(Thomas J. Douma) January 1, 2003

“The eeee-Buyer”  
“Innovative Marketing Techniques for Buyer’s Reps”  
(Nationally Certified Courses/Honolulu Board of REALTORS) January 1, 2003

“1031 Exchanges-An Investor’s Dream”  
(Michael Yesk/REALTORS® Association of Maui, Inc.) January 1, 2003

“Discover, Disclosure, Damage, Defendants”  
“Professional Standards Training-Ethics”  
(Oliver E. Frasca/REALTORS® Association of Maui, Inc.) January 1, 2003

"Basic Real Estate Investment Analysis" January 1, 2003  
"Fair Housing: Introduction to Federal and State  
Laws and Regulations"  
"Timeshare Real Estate-I-Introduction"  
(Lynn W. Carlson)

"DROA" January 1, 2003  
"Purchase, Ownership & Management of Condominiums"  
(Kenneth D.H. Chong)

"Avoid Litigation-How to Detect Red Flags" January 1, 2003  
"Federal Laws that Affect Licensee"  
"Foreclosure and the Role of the Commissioner in Hawaii"  
"Hawaii Landlord-Tenant Code"  
"Homeowner's Tax Strategies"  
"Hot Real Estate Issues 2001-2002"  
"How to List and Sell Business Opportunities"  
"Pitfalls in DROA and Addenda"  
"Pitfalls in Managing Residential Properties"  
"Residential and Commercial Evictions"  
(Eddie Flores, Jr./Eddie Flores Real Estate Continuing Education)

"Fair Housing: Introduction to Federal and State Laws and Regulations" January 1, 2003  
"Introduction to Broker Management"  
(Jay J. Spadinger/Akahi Real Estate Network, LLC)

**Course - "Hawaii Condominium Principles," Author/Owner: Thomas J. Douma, Provider: Thomas J. Douma, Course Category: Real Estate Law and Risk Management, Clock Hours: 3**

Upon a motion by Commissioner Imanaka, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend approval of "Hawaii Condominium Principles" as a three clock hour continuing education elective course, under the course categories Real Estate Law and Risk Management.

Continuing Education Core Course- Draft outline of 2003-2004 Real Estate Update and Ethics portion of core course

Commissioner Yamanaka reported that he has worked up a draft outline for the 2003-2004 core course. The course outline includes the objectives, goals and process. He also lists potential topics.

Commissioner Ohama stated that Staff should begin to draft the RFP to solicit a vendor and wanted the vendor to have a legal background.

SEO Kimura stated that a small purchase solicitation (under \$25,000) can be done, but according to the program of work, only \$6,000 is budgeted for the core course.

SEO Kimura added that the core course is usually four hours in length and making a six hour core course would be a dramatic change in policy. He noted that it was a battle to go from a three hour core course to a four hour core course.

Commissioner Ohama agreed and stated that it would be difficult to unilaterally change to a six hour core course—better to stick with what is already in place.

Commissioner Yamanaka stated that ethics seems to be a critical issue and he would also like to include ethics as an additional topic.

At this time, SEO Kimura stated that we also need to ensure that the course be developed for the average instructor to teach the course.

Commissioner Rice stated that we need to first decide what needs to be taught—we can't modify the course based on mediocre instructors. The instructors may then need to be reviewed to determine if they are able to instruct the core course.

SEO Kimura replied that how you package the information is very important.

At this time, Senior Specialist Fujimura added that other formats of presentation are available, for example a seminar. She also stated that we do have concerns about the quality of instructors.

SEO Kimura stated that what needs to be done now is to research what is available and have the contractor package the course by a specific date.

Commissioner Ohama stated at this point we need to get someone well qualified to write the course and topics can be decided upon later.

Upon a motion by Commissioner Ohama, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend drafting a request for proposal (RFP) to create the 2003 – 2004 four (4) hour core course, subject to budgetary constraints. Prefer contractor to have a legal background, course to include an “ethics” component, and Commissioners Yamanaka and Ohama are designated lead Commissioners for the RFP, development of the core course, and review of submissions.

At this time, Commissioner Imanaka inquired if the Commission has the authority to link funding with the course fee, for example an additional \$1.00 charge for the course, whereby the monies will fund the creation of the course. SEO Kimura replied that would require going through rulemaking amendments of Chapter 53.

#### Core Course Request – Brian Thomas – Deferred from November 13, 2002 meeting

Brian Thomas has requested that the Commission consider allowing a provider-developed mandatory core course be taught in two, two-hour sections, one during the first year of the licensing biennium and the second during the second year of the licensing biennium, subject to the normal approval process of provider developed course. The major reason is for a licensee to receive the latest changes in law, rules, court decisions, and policies during the first year of the licensing biennium, followed with next set of changes during the second year of the licensing biennium. Presently, the average licensee receives all changes sometime during the last six months of the second year of the licensing biennium. These changes could be 18 months old. Secondary reason is that four hours of classroom instruction is not conducive to learning, especially during a rush period to complete 10 hours.

SEO Kimura stated that in conversations with the Deputy AG no serious objections have been expressed.

The following was recommended:

As to the breakup of the four hours and it being taught at different times, the Commission has already approved elective courses that are part of a two-day or more course. In that, the Commission has approved credit of two three-hour elective courses for certain certification type courses. For some of the courses approved, the six hours were spread over a two-day, 16 hour course or more, and the credit hours were not for consecutive hours and sometimes the course was not presented during consecutive days.

As to the administration of the course between the provider and the Real Estate Branch (REB), it can be achieved with specific requirements imposed on the provider, as follows:

1. Provider shall provide written disclosure to each applicant that they have to complete both sections to receive the certificate and mandatory core course credit, that failure to complete either section means an incomplete and no certificate or credit will be issued, that REB has no records until completion of both sections, and the written disclosure is to be signed by student, provider keeps original and student gets a copy. Should there be a problem, the provider shall provide original to REB. Note: REB may want to review/approve this disclosure statement.
2. It is solely the responsibility of the provider to keep records, diskette record to REB is only provided after completion of second section.
3. Provider may want to consider presenting both sections during the second year of the licensing biennium.

Lastly, as with other provider-developed mandatory core courses that the Commission approves, there shall be adequate disclosure in all materials including advertising, that the course is not the Commission-developed mandatory core course but a Commission-approved mandatory core course.

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend approval subject to conditions that providers shall provide written disclosure to each student regarding completion of both sections of core course in order to receive course certificate and credit, that it is the sole responsibility of the provider to maintain records of students completing both sections of core course, that provider may present both sections during the second year of the biennium, that this split format is a pilot project subject to student evaluations handled confidentially and Commission monitoring.

Prelicense Education: Administrative Issues

**Seiler School of Real Estate Independent Study Course Evaluation Forms  
(9)**

Nine evaluations were distributed to the Commissioners for their information.

Applications

**2003-2004 Prelicensing Education Schools and Instructors Ratification List**

Upon a motion by Commissioner Ohama, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval of the following registrations/certifications:

<u>Registration/Certification</u>	<u>Effective Date</u>
<b>School(s)</b>	
Vitousek Real Estate School (Principal: Paige Vitousek)	January 1, 2003
Seiler School of Real Estate (Principal: Ricardo D. Seiler)	January 1, 2003
Coldwell Banker Pacific Properties Real Estate School (Principal: Barbara Dew)	January 1, 2003
Reef, Inc. dba Hawaii Institute of Real Estate (Principal: Janice K. Lind)	January 1, 2003
Akahi Real Estate Network, LLC (Principal: Jay J. Spadinger)	January 1, 2003
University of Hawaii at Manoa, Small Business Management Program-Outreach College (Principal: Dr. Pamela Fujita-Starck)	January 1, 2003
Fahrni School of Real Estate (Principal: Helen Kate Fahrni)	January 1, 2003
<b>Instructor(s)</b>	
Ricardo D. Seiler (Salesperson/Broker Curriculum)	January 1, 2003
Carol Mae A. Ball (Salesperson/Broker Curriculum)	January 1, 2003
Wayne Richardson, III (Salesperson/Broker Curriculum)	January 1, 2003
Brian R. Thomas (Salesperson/Broker Curriculum)	January 1, 2003
Barbara Dew (Salesperson/Broker Curriculum)	January 1, 2003
C. Scott Bradley (Agency Guest Lecturer Salesperson/Broker)	January 1, 2003
Christine T. O'Brien (Ethics & Economics Guest Lecturer Salesperson/Broker)	January 1, 2003



Herbert N. Conley (Economics Guest Lecturer Salesperson/Broker)	January 1, 2003
Iris H. Toguchi (Finance Mortgage Guest Lecturer Salesperson/Broker)	January 1, 2003
Jay J. Spadinger (Salesperson/Broker Curriculum)	January 1, 2003
Donald G. Baxter (Substitute Salesperson/Broker Curriculum)	January 1, 2003
John F. Stapleton (Salesperson/Broker Curriculum)	January 1, 2003
Helen Kate Fahrni (Salesperson Curriculum)	January 1, 2003

**Prelicense School – Hudson Real Estate School, Principal: Jon Hudson, effective date January 1, 2003 – Deferred from November 13, 2002 meeting and request appearance of Mr. Hudson**

Upon a motion by Commissioner Ohama, seconded by Commission Okawa, it was voted on and unanimously carried to recommend approval of Hudson Real Estate School as a prelicense school offering both the salesperson and broker curriculum.

Administration of Examinations:

Promissor

**2003 Promissor Holiday/Non-testing Schedule**

A copy Promissor's 2003 Holiday/Non-testing schedule was distributed to the Commissioners for their information.

SEO Kimura added that the ASI job Analysis Technical Report from 1998 is available for Commissioner's review.

Educator's Forum:

**Hawaii Association of REALTORS®** – No discussion presented.

**Hawaii Chapter of Real Estate Educators Association** – No discussion presented.

**Hawaii Association of Real Estate Schools (HARES)** – No discussion presented.

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

Program of Work:

Annual Report, Quarterly Bulletin, and School Files

A copy of the 2002 Annual Report was distributed to the Commissioners for their information.

Neighbor Island Outreach

The next neighbor island outreach is scheduled for Friday, January 10, 2003, on the island of Maui.

Real Estate Specialists' Office for the Day – Report

A copy of the Real Estate Specialists' Office for the Day report was distributed to the Commissioners for their information.

Special Issues: Kathy Howe – follow-up on her written concerns regarding continuing education

Senior Specialist Fujimura reported that Ms. Howe has submitted the class rosters with the appropriate certificate numbers assigned. She noted it was a struggle. She added that Ms. Howe did not comply by the written deadline and consequently, a complaint was referred to the Regulated Industries Complaints Office, and is assigned to an investigator.

Senior Specialist Fujimura stated that Ms. Howe has not submitted class rosters for classes held in November. She added that according to Toalua, Education Clerk, there are similar problems with a couple of other providers. Senior Specialist Fujimura stated that she will be getting after those providers also.

Commissioner Rice inquired if any renewals were affected by Ms. Howe's non-compliance. Senior Specialist Fujimura stated that in her opinion yes, as she did receive phone calls from licensees.

Budget and Finance Report: None.

Next Meeting: **Friday, January 10, 2003**  
**11:00 a.m.**  
**Conference Room**  
**REALTORS® Association of Maui**  
**441 Ala Makani Place**  
**Kahului, Maui**

Adjournment: With no further business to discuss, Chair Choi adjourned the meeting at 10:41 a.m.

Respectfully submitted by:

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Diane Choy Fujimura  
Senior Real Estate Specialist

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Date

[        ]        Minutes approved as is.  
[        ]        Minutes approved with changes.