

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: Monday, April 7, 2003

Time: 10:00 a.m.

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

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

Excused: Marshall Chinen, Member
Mitchell Imanaka, Member
Peter Rice, Member

Others: Marsha Shimizu, Hawaii Association of REALTORS®
Sherrill L. Goode, Administrator, Russ Goode Seminars

Call to Order: Chair Choi called the meeting to order at 10:03 a.m., at which time quorum was established.

Chair's Report: None.

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

The following was distributed as additional distribution:

5. Prelicensing Education Administration, Curriculum, Schools, Instructors, and Equivalency
 - f. Vitousek School of Real Estate and M. Russell Goode, Jr.
8. Program of Work, FY03
 - c. Annual Report, Quarterly Bulletin, and School Files – April 2003 issue of School Files to be completed by mid-April

Minutes of Meetings

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the minutes of the March 12, 2003, Education Review Committee meeting as distributed.

Prelicense Education: Broker Curriculum and Resources – Draft RFP for revision of broker's curriculum

A draft of the request for proposal to develop a revised and updated broker's curriculum for the 2003-2004 biennium was distributed to the Commissioners. Senior Specialist Fujimura stated that ERC Chair Choi and staff are planning to approach individuals who previously worked on developing the continuing education core course to serve on the subcommittee that the selected broker's curriculum vendor will work with.

Commissioner Ohama stated that a proposal should be requested from an instructor who teaches the current broker curriculum. Senior Specialist Fujimura stated that there are a couple of instructors that have expressed interest.

At this time, Senior Specialist Fujimura inquired if there were any comments and/or suggestions regarding the RFP and scope of services.

Commissioner Ohama suggested that section XI. U. (Closing/Settlement Procedures) of the curriculum should include instruction and review of an actual closing statement, stages of closing, identification of closing costs and practical, hands-on instruction.

Commissioner Yamanaka suggested that section IX (Real Estate Taxes) of the curriculum should include instruction and discussion on commission distribution when dealing with an out-of-state broker, including discussion of splitting fees, referral fees, and complying with state tax requirements regarding commissions.

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend approval of the draft request for proposal with the inclusion of amending section XI.U. to include instruction and review of an actual closing statement, stages of closing, identification of closing costs, practical, hands-on instruction to be emphasized and amending section IX to include instruction and discussion on commission distribution when dealing with an out-of-state broker, including discussion of splitting fees and referral fees.

Vitousek School of Real Estate and M. Russell Goode, Jr.

Chair Choi stated for the record that the correct registered name of the school is Vitousek Real Estate Schools, Inc.

Specialist Arata stated that Mrs. Sherrill Goode was present.

Specialist Arata stated that a letter dated March 28, 2003, was sent to Mr. M. Russell Goode, Jr. and Ms. Paige Vitousek regarding professional conduct and procedures.

Specialist Arata noted that Vitousek Real Estate Schools issued incomplete certificates of completion. Specifically, the certificates did not include the required expiration date. As a result, some students were not admitted to the exam. Subsequently, on March 19, 2003, Mr. Goode interceded in a matter with examination site personnel and it has been reported that Mr. Goode was verbally abusive to exam site personnel. Later, Mr. Goode apologized in person. SEO Kimura stated that, as a security measure, it is Promissor's and the Commission's policy that only exam candidates be allowed at the test site. Promissor and the Commission does not allow prelicense school personnel or any agent of the prelicense school or any licensee on or near the exam premises unless specifically authorized by the Commission.

Commissioner Okawa thanked staff for bringing this matter to the Commission's attention. Normally, they are informed of errors on the part of exam personnel. She noted that it is very important that exam candidates are in the best possible frame of mind and condition to take the exam and is happy that Promissor is helping as we also need schools to comply with rules.

Commissioner Abrams stated that the letter states that some students from Vitousek Real Estate Schools were not allowed to take the exam. Specialist Arata replied that is correct, one candidate was turned away the day before this incident.

At this time, Commissioner Okawa thanked Mrs. Goode for being present and noted that Mr. Goode's response is on file.

SEO Kimura stated that he wants Mr. Goode to understand that the Commission and staff are willing to work with him but he needs to be in a more controlled state. It is understood that he has a zeal for the issues; however, the Commission holds instructors to a higher standard/accountability. Mr. Goode needs to also understand that the testing company personnel are following the terms of the contract. SEO Kimura stated that, in the past, instructors have been dealt with by the Commission on issues such as the use of inappropriate language and insensitivity.

At this time, Commissioner Abrams requested an explanation on the certificate process. Specialist Arata replied that when a class is completed the school is responsible for letting staff know the names of students who completed the class, certificate number issued and date of completion. This information is essential if a discrepancy with the certificate issued arises. Commissioner Abrams inquired

how often the reporting is required. Specialist Arata replied upon completion of the course and it is submitted via mail or fax.

Commissioner Yamanaka stated that he agrees that instructors need to set a good example. Commissioner Yamanaka moved to acknowledge these "infractions" including failing to include an expiration date on the school completion certificates, and engaging in conduct not suited to a certified prelicense instructor, and if such actions occur in the future, a complaint will be referred to the Regulated Industries Complaints Office for further review and action. Commissioner Ohama seconded the motion. The motion was voted on and unanimously carried.

At this time, Chair Choi thanked Mrs. Goode for being present and asked that she let Mr. Goode know of the comments made here today and to thank him for his dedication to teaching. She added that we know this was an isolated incident.

Administration of
Examinations:

Promissor – Workshops and Meetings, March 13 to 17, 2003 – staff reports

Reports on the Promissor Test Development Workshop (March 13 – 14, 2003), Test Center Managers meeting (March 15, 2003), and Educator's Forum (March 17, 2003) were distributed to the Commissioners for their information.

Specialist Arata requested that Commissioners submit names of individuals who may be interested in participating in future test development workshops, which may be as soon as June, 2004.

PSI Report

A letter from PSI Examination Services dated March 1, 2003, announcing their upcoming national job analysis for real estate salespersons and brokers was distributed to the Commissioners for their information. Commissioners should continue to review information from other exam vendors.

Educator's Forum:

Hawaii Association of REALTORS® – 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 – April 2003 issue of School Files to be completed by Mid-April

Senior Specialist Fujimura reported that the April 2003 issue of *School Files* has been published and distributed.

Neighbor Island Outreach – Kailua-Kona, Thursday, May 8, 2003

The next neighbor island outreach is scheduled for Thursday, May 8, 2003, on the island of Hawaii. Standing committee meetings will convene in the Kona Board of REALTORS® Conference Room, located at 75-240 Nani Kailua Drive, Suite 157, Kailua-Kona, at the following times:

9:30 a.m.	Condominium Review Committee
10:30 a.m.	Laws and Rules Review Committee
11:00 a.m.	Education Review Committee

New Technology Program and REC Web Site – Statistics, hirec Top 50 July 2002 – January 2003

Statistics on the *hirec* top 50 web site hits for July 2002 through January 2003 were distributed to the Commissioners for their information.

ARELLO, REEA &
Other Organizations

REEA

Development of Simulation Exercises for Real Estate Practitioners

A copy of an article from the *Real Estate Educators Association Journal*, Volume 2, Number 1, titled “Development of Simulation Exercises for Real Estate Practitioners” was distributed to the Commissioners for their information.

Commissioner Abrams reported that he completed the free sample simulation exercises referred to in the article on the Applied Measurement Professionals (AMP) web site and found it to be “fantastic and challenging.” He added that this is a great alternative to exam format that may be a natural add-on to the Hawaii exam.

Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to forward a letter to AMP indicating interest in their simulation exam.

Going to Online Instruction: Confessions of a Computer Novice

A copy of an article from the *Real Estate Educators Association Journal*, Volume 2, Number 1, titled “Going To Online Instruction: Confessions of a Computer Novice” was distributed to the Commissioners for their information.

Open Forum:

Ms. Marsha Shimizu, Hawaii Association of REALTORS®, reported that the DROA form has gone through an extensive revision to take effect in May. They are currently updating their courses that refer to the DROA and they will also conduct an outreach in June/July of this year, along with a legislative update. Ms. Shimizu added that their forms are now available for purchase on a zip program.

Next Meeting: **THURSDAY, MAY 8, 2003**
 11:00 a.m.
 Kona Board of REALTORS Conference Room
 75-240 Nani Kailua Drive, Suite 157
 Kailua-Kona, Hawaii

Adjournment: With no further business to discuss, Chair Choi adjourned the meeting at
 10:44 a.m.

Respectfully submitted by:

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

May 8, 2003
Date

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