

**EDUCATION REVIEW COMMITTEE**  
REAL ESTATE COMMISSION  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.hawaii.gov/hirec](http://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: Wednesday, November 12, 2003

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

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

Present: Vern Yamanaka, Chair  
Louis Abrams, Member  
Marshall Chinen, Member  
Mitchell Imanaka, Member  
Kathleen Kagawa, Ph.D., Member  
Iris Okawa, Member  
Peter Rice, Member

Calvin Kimura, Supervising Executive Officer  
Alan Taniguchi, Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Lorene Kimura, Real Estate Specialist  
Ryan Yamashiro, Real Estate Specialist  
Cynthia Yee, Senior Condominium Specialist  
Cheryl Leong, Condominium Specialist  
David Grupen, Condominium Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Secretary  
Irene Kotaka, Recording Secretary

Others: Janice Lind, RE3LLC  
Wayne Richardson, RE3LLC

Excused: Trudy Nishihara, Vice Chair  
John Ohama, Member

Call to Order: The Chair called the meeting to order at 9:27 a.m., at which time quorum was established.

Chair's Report: No report.

Sr. Real Estate  
Specialist's Report:

Minutes of Meeting

Upon a motion by Commissioner Imanaka, seconded by Commissioner Rice, it was voted on and unanimously carried to accept the minutes of the October 8, 2003 Education Review Committee meeting as circulated.

Continuing  
Education:

**Applications**

Course – "The Code of Ethics in 21<sup>st</sup> Century Hawaii," Author/Owner: James R. Hogan and Curtis Hall, Provider: Hogan School of Real Estate, Inc., Course Category: Ethics and Professional Development, Clock Hours: 3

Upon a motion by Commissioner Abrams, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of "The Code of Ethics in 21<sup>st</sup> Century Hawaii" as a three clock hour continuing education elective course, under the course category, Ethics and Professional Development.

Course – "1031 Exchange & Other Tax Issues," Author/Owner: Abe Lee, Provider: Abe Lee Seminars, Course Category: Investment, Clock Hours: 3

Commissioner Okawa moved to recommend approval of "1031 Exchange & Other Issues" as a three clock hour continuing education elective course, under the course category, Investment. Commissioner Rice seconded the motion.

Commissioner Imanaka asked if the person who reviewed the course was an attorney. He stated that because of the course content, he would feel more comfortable if the course had been reviewed by an attorney. Senior Specialist Fujimura informed him that the course had been reviewed by an attorney.

The motion was voted on and unanimously carried.

Continuing Education Core Course – Update on ProSchools, Inc. Contract

Senior Specialist Fujimura reported that the contract is almost approved. She also reported that representatives from ProSchools, Inc. will be in Hawaii on December 3 and 4, 2003. They will be meeting with members of the EETF. Sandra Japely of ProSchools, Inc. will be meeting with RICO and other individuals to develop the core course.

Senior Specialist Fujimura reported that there will be a meeting on December 3, 2003 with ProSchools, Inc. and she invited the Commissioners to attend the meeting if possible.

Education Evaluation Task Force

Senior Specialist Fujimura reported that the EETF has 17 members and Ms. Lind and Mr. Richardson have been in contact with them regarding the final draft. There will be a focus group for the core course. The final draft of the core course was distributed in today's meeting packet. The Commissioners were asked to review the final draft and to provide feedback.

A meeting of the EETF will be scheduled before the end of the year to discuss the curriculum.

Program of Work,  
FY04:

Annual Report, Quarterly Bulletin and School Files

The November 2003 issue of the Hawaii Real Estate Bulletin will be mailed out at the end of the month.

Neighbor Island Outreach

The next neighbor island outreach is scheduled for Tuesday, January 6, 2004, on the island of Maui. The meetings will be held in the REALTORS Association of Maui's Conference Room, located at 441 Ala Makani Place, Kahului, Maui.

The Committee meetings will be held as follows:

Laws and Rules Review Committee – 9:30 a.m.

Education Review Committee – Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.

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

Prelicense  
Education:

Broker Curriculum and Resources

The broker curriculum will be taken to the EETF for their review and feedback.

Mr. Richardson stated that the broker curriculum was built on the old curriculum, which includes real estate salespersons and brokers. The real estate broker's curriculum is not separate and independent from the real estate salesperson's curriculum. They do not address continuing education issues. Mr. Richardson stated that they will address continuing education in another form.

Mr. Richardson stated that the first draft was sent out in September 2003. They received comments from various individuals. Mr. Richardson thanked those who took the time to comment on the draft. He stated that some comments will not be addressed in the curriculum forum. He also stated that the headings include the estimated classroom hours for each of the topics. It is their best estimate for an efficiently run class.

Mr. Richardson stated that there is a lot of material in the law regarding broker management, but there are other topics, such as managing transaction flows in a brokerage, organizing a brokerage or training of the real estate salespersons that are not addressed in the law. If they are starting from scratch, they cannot teach this in two sections. They decided to stick to the law. Mr. Richardson suggested that a continuing education course could be written to help a broker become an entrepreneur. Mr. Richardson stated that some are under the impression that the automatic product is a textbook. How the class is delivered or the reference or manual that is used is up to the provider.

Ms. Lind stated that part of their project is to provide handouts, however they need direction as to what will be in the handouts because they will have to prepare the handouts.

Mr. Richardson stated that he would like to receive the Commissioners' comments on the final draft within two weeks. He will submit the final to the Commission by the next meeting. Mr. Richardson stated that he would be taking the curriculum to the schools in January or February 2004. Mr. Richardson requested that the Commissioners suggest the topics and handouts while they are reviewing the draft. There will be up to six handouts, six pages in length. Possible handouts would be a summary of Chapter 521, HRS, the Landlord Tenant Code, discrimination in real estate transactions – the difference between the state and federal laws, brokerage management, and a suggested table of contents for policies and procedures manuals.

The Chair asked who would be receiving the handouts. Mr. Richardson stated that the handouts would be given to the provider as a part of the educational packet to the licensee.

Commissioner Rice asked if he could provide some feedback now. He noted that a half hour was devoted to property management and two hours were for commercial management. Condominium managing agents are required to be licensed, but there is nothing that addresses their duties. He stated that there needs to be a greater emphasis on residential management instead of commercial management.

Mr. Richardson stated that there is a certain amount of redundancy that appears in more than one section. Instructors teach differently. Mr. Richardson stated that in this particular case and specific to Commissioner Rice's question, if you look at the material now, residential and commercial are lumped together. The distinction between the two is not clear. They broke it down to make the distinction more clear. There is one section that discusses the landlord tenant code for residential and for commercial. Condominium managing agents are covered in Chapter 514A, HRS.

Commissioner Rice stated that the emphasis appears to be on the commercial portion and the average person who will be taking the class will not be in commercial real estate. The average real estate broker will be involved in residential real estate.

Mr. Richardson stated that three and one-fourth hours will discuss residential real estate, two hours will be for the landlord-tenant code, and two hours will be devoted to commercial real estate.

Commissioner Imanaka stated that he would be able to provide materials to Mr. Richardson that would enhance section 8.

Commissioner Okawa stated that she has concerns for the consumer that a non-English speaking licensee may take the course and may not fully comprehend what is being taught.

Commissioner Kagawa stated that she has seen situations such as those, however, those licensees are generally not real estate brokers.

Commissioner Yamanaka asked if the environmental issues discussed in Section 26 on page 22 overlap with other areas. Mr. Richardson answered that it does. Mr. Richardson also stated that mediation and arbitration also appears in other sections. Mr. Richardson inquired on the status of mediation and arbitration since the State passed new laws relating to this. The Hawaii Association of REALTORS' standard DROA form used to have a section on mediation and arbitration where the buyers and sellers initialed. Members of the Hawaii Association of REALTORS and the National Association of REALTORS recommended mediation and arbitration. The cooperating broker's agreement mandated that. When the State law was changed, the National Association of REALTORS and the Hawaii Association of REALTORS no longer recommended mediation or arbitration. Mediation and arbitration gets touched in different venues in different ways and in different parts. There will still be differences because associations aren't recommending mediation or arbitration.

The Chair reported that he is having problems scheduling the EETF meeting. The meeting might not be scheduled until the beginning of December, which may result in the Commission requesting more time.

Mr. Richardson stated that they have been flexible so far. They would appreciate receiving the Commissioner's comments as soon as possible. If they receive the comments prior to the next meeting, they will be able to compile the comments and present it to the Commission for their consideration.

The SEO questioned the system of delivering the course and education materials. The Commission will have to decide if they want to contract someone to develop alternative delivery methods, instructor's manual, and student textbook. Mr. Richardson was asked if any consideration was given for the curricula to be offered electronically. Mr. Richardson was asked if he would provide a summarized report. He stated that he would provide the information in a summarized report.

The SEO reported that other jurisdictions have reported that post licensing requirements is one of the best educational tools for new real estate broker licensees. Mr. Richardson was asked if they would be recommending that newly licensed real estate brokers be required to complete post-licensing requirements.

Mr. Richardson stated that he had just received an email from a broker on the mainland who said that training for a real estate broker's license is like getting an MBA. Mr. Richardson stated that he does not think that post-licensing requirements are practical. He thinks that it should be addressed in continuing education courses. He also did not feel that requiring the licensee to complete ten hours of continuing education courses every two years was sufficient. He suggested that some continuing education courses may be geared towards the real estate brokers. The Commission could look at alternate delivery methods and consider expanding the continuing education courses being offered and possibly developing a two-tiered system, one for real estate salespersons and one for real estate brokers.

Education Review Committee  
Minutes of the November 12, 2003 Meeting  
Page 6

The SEO also reported that there are VOWs issues and the "Do Not Call List" which will need to be addressed.

The Chair thanked Mr. Richardson and Ms. Lind for being present at the meeting.

Budget and Finance: No report.

Next Meeting: Thursday, December 11, 2003  
Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.  
Queen Liliuokalani Conference Room  
King Kalakaua Building  
335 Merchant Street, Room 333  
Honolulu, Hawaii

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 10:13 a.m.

Reviewed by:

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

December 11, 2003  
Date

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

DCF:isk  
12/09/03