

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 11, 2005

Time: Upon adjournment of the Laws and Rules Review Committee meeting, which convened at 9:30 a.m.

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

Present: Vern Yamanaka, Chair / Broker/ Hilo Commissioner
Stanley Kuriyama, Broker / Honolulu Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Iris Okawa, Public / Honolulu Commissioner
Michele Sunahara Loudermilk, Public / Honolulu Commissioner

Calvin Kimura, Supervising Executive Officer
Neil K. Fujitani, 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
Karyn Takahashi, Recording Secretary

Others: Janice Lind, Hawaii Academy of Real Estate
Ralph Foulger, Ralph Foulger's School of Real Estate
Carol M. Egan, All Islands Real Estate School
Marsha Shimizu, Hawaii Association of REALTORS®

Absent: Louis Abrams, Broker / Kauai Commissioner
Carol Mae Ball, Broker / Maui Commissioner
Kathleen Kagawa, Broker / Honolulu Commissioner

Call to Order: Chair Yamanaka called the meeting to order at 9:16 a.m., at which time quorum was established.

Chair's Report: No report presented.

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

The following was distributed as additional distribution:

9. Special Issues
10. Budget and Finance Report

Minutes

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Okawa, it was voted on and unanimously carried to accept the minutes of the July 13, 2005, Education Review Committee meeting as distributed.

Continuing Education: Applications

Provider – Charles Barnes School of Real Estate; Administrator – Charles Barnes

Upon a motion by Commissioner Okawa, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of Charles Barnes School of Real Estate as a continuing education provider.

National Course – “The Real Estate Professional’s Guide to Indoor Air Quality;” Provider: Hawaii Association of REALTORS®; Clock Hours: 3

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Nishihara, it was voted on and unanimously carried to recommend approval of the national course “The Real Estate Professional’s Guide to Indoor Air Quality” as a three clock hour continuing education course. This course will be offered on Sunday, October 30, 2005 as part of the REALTORS® 2005 Conference and Expo in San Francisco, California.

National Course – “Real Estate Investment, The 1031 Exchange: The Investor and You;” Provider: Hawaii Association of REALTORS®; Clock Hours: 3

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval of the national course “Real Estate Investment, The 1031 Exchange: The Investor and You” as a three clock hour continuing education course. This course will be offered on Sunday, October 30, 2005 as part of the REALTORS® 2005 Conference and Expo in San Francisco, California.

National Course – “Duties in Conflict – Handling the In-Office Transaction;” Provider: Hawaii Association of REALTORS®; Clock Hours: 3

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of the national course “Duties in Conflict – Handling the In-Office Transaction” as a three clock hour continuing education course. This course will be offered on Sunday, October 30, 2005 as part of the REALTORS® 2005 Conference and Expo in San Francisco, California.

Continuing Education Core Course

Email from Beth Holiday

Printouts of email correspondence with Beth Holiday regarding continuing education instruction and the core course were distributed to the Commissioners for their information. Chair Yamanaka stated that the feedback is appreciated.

Education Evaluation Task Force

Chair Yamanaka reported that the meeting held on Friday, August 5th went very well.

Commissioner Nishihara reported that there was discussion on rule changes related to prelicense instructors. She reported that a new category of Associate Instructor may be created.

Commissioner Nishihara added that they touched on continuing education rules, had a hearty discussion on conduct, and discussed the possibility of the EETF participating in the condominium recodification education process. Members were also asked to review the DROA handout for the salesperson curriculum.

Prelicense Education: Administrative Issues

Century 21 Real Estate School – change of name, principal, 45 hour requirement for salesperson’s curriculum, RICO investigator evaluation

Senior Specialist Fujimura reported that Century 21 Real Estate School submitted a name change to “All Islands Real Estate School” along with a change of principal to Carol Egan. The change request was submitted by Ms. Egan; however, they were informed that as principal, Ralph Foulger, needed to submit the change request, which he subsequently did.

Along with the changes, a copy of All Islands Real Estate School’s advertisement for a five day, 9:00 a.m. – 6:00 p.m., accelerated salesperson class was also submitted. The ad raised concerns that the 45-hour instruction time was not being complied with, as breaks and exam time could not be calculated into the 45-hour advertised timeframe for the course. Coincidentally, a Regulated Industries Complaints Office (RICO) investigator attended and evaluated one of the accelerated salesperson’s prelicense courses. The evaluation was positive, but follow-up contact with the RICO investigator confirmed that there was not 45 hours of instruction time. Senior Specialist Fujimura stated that she wrote to Mr. Foulger regarding this matter and Mr. Foulger responded by letter dated July 24, 2005, and stated that he has adjusted the schedule. Senior Specialist Fujimura spoke to Ms. Egan and she is also aware of the 45-hour requirement.

Mr. Foulger was present at the meeting and stated that he has modified the schedule to show 45 hours of class instruction.

Chair Yamanaka stated that this issue may need to be referred to RICO. Commissioner Nishihara stated that it is commendable that Mr. Foulger has re-done the course instruction schedule.

Commissioner Okawa inquired about the actual number of hours of instruction time the RICO investigator reported. Senior Specialist Fujimura responded that it totaled approximately 37.5 hours. Commissioner Loudermilk inquired on the

impact of the fewer hours on the prelicense student. Mr. Foulger responded that the pass ratio for the salesperson's exam is consistent and is consistent with the statewide norm, and did not appear to negatively affect the students.

Ms. Egan stated that as this situation was discussed in the most recent issue of *School Files* she requested a copy of the RICO investigator evaluation from Ms. Fujimura, and was told that she could not receive a copy. Ms. Egan then called RICO and was told to contact the Real Estate Branch, and was subsequently told to submit a written request.

Ms. Egan inquired if this report is being circulated, why isn't she permitted to review it also. Senior Specialist Fujimura responded that the report is not being circulated. Procedurally, staff has sent individuals to evaluate prelicense and continuing education courses. If there is no negative feedback included in the written evaluation, the school/instructor/provider is not contacted. The information contained in this particular evaluation, and the additional information received relative to the subject prelicense salesperson's accelerated course prompted the letter to Century 21 Real Estate School.

Evaluations – Independent Study

Copies of evaluations of independent study courses from the following prelicense schools were distributed to the Commissioners for their information:

1. Seiler School of Real Estate
2. Abe Lee Seminars

Applications

2005 – 2006 Prelicensing Education Schools and Instructors Ratification List

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to approve the ratification of the following:

<u>Registration/ Certification</u>	<u>Effective Date</u>
------------------------------------	-----------------------

School

Ralph Foulger's School of Real Estate (Principal: Ralph S. Foulger)	08/01/05
--	----------

Salesperson's Curriculum

Ms. Janice Lind distributed drafts of handouts two and three, "Settlement Statement Analysis" and "Deposit Receipt Offer and Acceptance Made Simple". Ms. Lind asked for a review and comments on the handouts. She added that the "Settlement Statement Analysis" handout was a challenge.

Administration of
Examinations:

Promissor

Licensing Examination Statistics

Examination statistics for June 2005 were distributed to the Commissioners for their information.

June 2005 School Summary Reports

A copy of the June 2005 performance summary report, by school, was distributed to the Commissioners for their information. The report is derived from statistics for first time test takers.

Test Development

Specialist Kimura reported that Promissor is planning a three-day test development session in October for the review of salesperson and broker examination questions. Promissor is also planning a meeting with prelicense schools to discuss the uniform section of the examination and to discuss the test development session which will be held prior to the meeting.

SEO Kimura added that there is also a plan to meet with Promissor staff to discuss database issues. Specialist Kimura added that a meeting will be set-up with Promissor and Staff to discuss simulation type questions.

Executive Session: Upon a motion by Commissioner Okawa, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to move into executive session, 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 Okawa, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to move out of executive session.

Prelicense Education: Administrative Issues

Century 21 Real Estate School – change of name, principal, 45 hour requirement for salesperson's curriculum, RICO investigator evaluation

Upon a motion by Commissioner Okawa, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend referral to the Regulated Industries Complaints Office.

Upon a motion by Commissioner Okawa, seconded by Commissioner Kuriyama, it was voted and unanimously carried to recommend approval for Staff to refer possible complaints against prelicense schools, instructors, continuing education providers, and instructors, directly to the Regulated Industries Complaints for its review and disposition.

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

School Files July 2005

The July 2005 issue of *School Files* has been distributed and is also available at www.hawaii.gov/hirec.

The next issue of the *Bulletin* will be out late August or early September.

Real Estate Specialists' Office for the Day

The next Real Estate Specialists' Office for the Day is scheduled for Thursday, September 15, 2005, at the Kauai Board of REALTORS® Office, and will be held in conjunction with a Kauai Board of REALTORS® Principal Broker/Broker in Charge meeting.

Special Issues: Consumer Education Project

Commissioner Okawa stated that the home is the single largest asset purchase and would like to see consumers educated and has volunteered to spearhead this consumer education project. The objectives are to:

1. Educate consumers and bring awareness to the workings of the Real Estate Commission.
2. Introduce preventive measures for consumers victimized by unscrupulous people capitalizing on trendy issues.
3. Provide an opportunity for career development in the real estate industry.

She reported that she has been in contact with Pat Hamamoto of the Department of Education and she is very receptive and would like to organize an education program.

Commissioner Okawa suggested a \$15,000 budget for the first year. SEO Kimura stated that this project is not part of the current program of work and would need to be added. He added that this project is also not a budgeted item and the budget would need to be analyzed. Commissioner Okawa added that she hopes that partners in this project may be able to help financially.

Upon a motion by Commissioner Okawa, seconded by Commissioner Kuriyama, it was voted and unanimously carried to recommend including the consumer education project in the fiscal year 2006 program of work with an initial budget of \$15,000.00, subject to availability of funds under budget ceiling.

Open Forum: No one participated.

Budget and Finance Report: Real Estate Education Fund

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend acceptance of the Real Estate Education Fund report for fiscal year ending June 30, 2005.

Next Meeting: Wednesday, September 14, 2005
Upon adjournment of the Laws and Rules Review Committee Meeting, which convenes at 9:30 a.m.
Kauai Planning Commission
Mo'ikeha Building, Meeting Room #2
4444 Rice Street
Lihue, Kauai, HI 96766

Adjournment: With no further business to discuss, Chair Yamanaka adjourned the meeting at 10:11 a.m.

Reviewed by:

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

September 14, 2005
Date

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