

**LAWS AND RULES 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 Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Wednesday, September 9, 2009

Time: 9:00 a.m.

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

Present: Louis Abrams, Chair, Broker/Kauai Commissioner  
Frances Gendrano, Vice Chair, Broker/Honolulu Commissioner  
Michele Sunahara Loudermilk, Public/Honolulu Commissioner  
Stanley Kuriyama, Broker/Honolulu Commissioner  
Carol Ball, Broker/Maui Commissioner  
Trudy Nishihara, Broker/Honolulu Commissioner  
Annette Aiona, Broker/Hawaii Commissioner  
Mark Suiso, Public/Honolulu Commissioner  
Walt Harvey, Broker/Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer  
Jon Ellis Pangilinan, Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Amy Endo, Real Estate Specialist  
David Grupen, Real Estate Specialist  
Cynthia Yee, Senior Condominium Specialist  
Cheryl Leong, Condominium Specialist  
Benedyne Stone, Condominium Specialist  
James Paige, Deputy Attorney General  
Tammy Norton, Recording Secretary

Others: Aron Espinueva, Hawaii Association of Realtors®  
Myoung Oh, Hawaii Association of Realtors®  
Arabel Camblor, Hawaii Association of Realtors®  
Marsha Shimizu, Hawaii Association of Realtors®  
Rowena Cobb, Hawaii Association of Realtors®

Absent: None

Call to Order: The Chair called the meeting to order at 9:04 a.m., at which time quorum was established.

Chair's Report: The Chair announced that the Committee may move into executive session to consult with the Commission's attorney on questions and issues pertaining to the

Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

SEO's  
Report:

### **Announcements**

The October 14, 2009 neighbor island outreach meetings will not be held in Kona as previously scheduled, instead, the meetings will be held on Oahu. The travel request was denied due to travel restrictions imposed by the Department. The Administration felt that it would be cheaper to fly in 3 neighbor islanders rather than send 11 commission and staff members to a neighbor island to hold meetings. Initially this program was started due to neighbor island licensees' complaints of not being able to attend meetings on Oahu. The meetings afford the neighbor island licensees, condominium community, owners, boards, related professionals, government officials and interested parties an opportunity to attend and participate in the committee meetings. Also, the meetings are held in conjunction with the Commission's Neighbor Island Outreach Program. The Commission's program of work calls for the Commission to hold its committee meetings at three neighbor island sites (Kauai, Maui, and Hawaii) during the fiscal year.

The SEO noted that the ARELLO travel request initially for 4 travelers will be amended to only 3 travelers and processed through the department to the Governor's Office. Unlike neighbor island travel requests, mainland travel requests are reviewed by the Governor's office.

### **Minutes of Previous Meetings**

Upon a motion by Commissioner Nishihara, seconded by Commissioner Aiona, it was voted on and unanimously carried to accept the minutes of the August 12, 2009, Laws and Rules Review Committee meeting as circulated.

Program of  
Work, FY10:

### **Licensing, Registration, and Certification Administration**

The SEO informed the committee that PVL is planning to submit an omnibus bill to create an end date for restorations. Currently real estate along with a handful of other boards and programs has an unlimited restoration period. PVL Administration wants to know how the Real Estate Commission feels about creating an end date to restorations.

SEO Fujitani explained the current restoration process to the committee and noted the following:

For licensees forfeited less than one year, applicants restoring their licenses are required to pay the renewal fee plus penalty fees and if restoring on active status, must submit proof of compliance of ten hours of CE.

For licensees forfeited over one year and under four years, whether for active or inactive licensing status, the applicant must pay all back fees and penalty fees, and in addition, must complete one of the following: 1) complete at least 15 hours of CE; or 2) complete all three "Essentials" courses; or 3) successfully complete the prelicensing course for the level of license forfeited; or 4) pass the licensing exam for the level of license forfeited.

For licensees forfeited over four years, applicants must pay all back fees and penalty fees and in addition, must pass the licensing exam for the level of license forfeited.

Commissioner Ball noted that there is an advantage to placing an end date for restoration and requiring the individual to start over and go back to school again. The individual would have been out of the industry for far too long and it would only benefit the individual and consumers to go through the school again.

Chair Abrams asked if HAR has ever discussed this issue before.

Myoung Oh, HAR, replied that he does not recollect this issue coming up before, but will bring it up at HAR's next meeting and provide feedback to the Commission at its next meeting.

Commissioner Nishihara noted that the benefit to setting an end date to restorations is that you will have serious people in the business. She further noted that a lot would depend on the length of restoration time allowed.

SEO Fujitani noted that PVL would set a reasonable time frame.

Chair Abrams noted that after discussion, the committee would not object to PVL's moving forward with an omnibus bill to create an end date for restoration which would include real estate licensees and before endorsing any proposed legislation, would like to see the language.

### **Subcommittee on Background Issues and Criminal History Records**

Information being provided to members of the task force was shared with the committee.

Specialist Grupen noted that DCCA's Insurance Division currently does background checks on Hawaii records only and are currently looking into fingerprinting.

### **Neighbor Island Outreach**

The October 14, 2009 neighbor island outreach committee meetings will be held on Oahu as originally scheduled for reasons previously noted.

ARELLO,  
Other  
Organizations  
And  
Jurisdictions:

Meetings, Workshops, and Reports

Report on the ARELLO Mid Year Conference held in Ashville, North Carolina, April 26-29, 2009 was submitted for the committee's information. The report was prepared by Commissioners Abrams and Nishihara.

Special  
Issues:

### **Supreme Court Rule Amendments**

The August 7, 2009 Pacific Business News article entitled "Court gives up effort to define what Hawaii lawyers are" was distributed for informational purposes.

Open Forum:

None.

Budget and Finance Report: Upon a motion by Commissioner Kuriyama, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the Real Estate Recover Fund Financial Report for the period ending June 30, 2009

Next Meeting: Wednesday, October 14, 2009  
9:00 a.m.  
Queen Liliuokalani Conference Room  
King Kalakaua Building  
335 Merchant Street, First Floor  
Honolulu, Hawaii'

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 9:22 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani

\_\_\_\_\_  
Neil K. Fujitani  
Supervising Executive Officer

September 9, 2009

\_\_\_\_\_  
Date

Approved as is.  
 Approved with amendments. See minutes of \_\_\_\_\_ meeting.