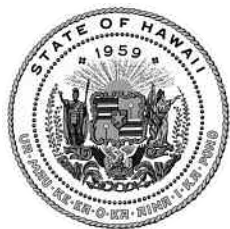


Real Estate Commission Bulletin



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Real Estate Seminar in November

Pursuant to a contract between the Hawaii Association of REALTORS® and the Hawaii Real Estate Commission, there will be a seminar for all interested licensees on "condominiums". The Commission is well-aware of all of the condominium projects that are planned in the very near future in the Ala Moana-Kakaako area. Condominiums in Hawaii are already at least 25% of available residential housing. Land is becoming scarce, and the population is still increasing. Where will everyone live?

The Real estate seminar will be presented via a panel of experts in different aspects of dealing with condominiums. Additionally, there will be 15-20 minute videos created on topics covering specific issues for condominium management, and other yet-to-be-determined topics.

The tentative date for the real estate seminar is Wednesday, November 19, 2014, at the Pearl Country Club. Please check the Commission's website for specific details. There will be a \$10.00 fee to attend.



Real Estate Licensing Fee Increase

The Department of Commerce and Consumer Affairs has received approval from Gov. Neil Abercrombie and the Department of Budget and Finance to initiate a much-needed fee increase.

This is the first increase on licensing fees and Compliance Resolution Fund fees since 1982. The increase is needed to modernize the functions of the licensing and enforcement divisions.

The new systems will offer a long-term benefit to licensees of faster processing of applications and investigations. There will also be more online functions that should provide more transparency for licensee application processes and investigation updates.

The computer systems that run the DCCA's Professional and Vocational Licensing Division (PVL) and Regulated Industries Complaints Office (RICO) were established in the early 80s. Because the system is based on ancient technology in regards to computer systems, the state has done a remarkable job of keeping the systems operating and keeping costs down.

2015 - 2016 Core Course

The Commission's real estate seminar on condominiums will be a precursor to the topic for the 2015-2016 core course. Condominiums will be covered in more detail and more focus on various aspects of selling and living in condominiums. At its monthly meeting on October 8, 2014, the Commission's Education Review Committee approved the topic for the 2015-2016 core course, which will be . . . CONDOMINIUMS.

Real Estate Licensing Fee Increase (cont. from page 1)

The systems are at a point where they need replacement. The new systems will lead to better efficiency and more productivity for the divisions since the software fails to do a lot of what is taken for granted when it comes to systems created after 2000.

DCCA's phone system is no longer capable of handling the volume of calls that pour into PVL each day. An upgrade will be able to give employees more capacity and reduce the number of dropped calls and frustration by licensees.

The department is aware that the cost of business rises each year. Please understand that DCCA has tried for decades to keep costs down and worked to keep licensee fees to a minimum. That is part of the reason why there has not been an increase to the license and enforcement fees since most of the licenses were established in the 80s. Despite the fact that licensee numbers have increased 60 percent the department has kept its staffing relatively low.

In order to provide the proper levels of service DCCA must look to right-size the staffing levels and upgrade systems moving forward.

Here is a look at the breakdown of fee increases for renewals.

Real Estate License Type	Previous License/CRF	Increase	Increase/Month	Total Cost
Broker corporation	\$190	\$42	\$1.75	\$272
Broker sole proprietor	\$170	\$38	\$1.59	\$248
Salesperson, broker-salesperson, principal broker, broker in charge	\$140	\$30	\$1.25	\$210
Branch Office	\$140	\$23	\$0.96	\$210
Condo hotel operator	\$215	\$42	\$1.75	\$262

Correction

The title of the article on page 1 of the November 2013 Real Estate Commission Bulletin should read, "On-Island Agent – Licensee or Non-licensee?" The title incorrectly read, "Off-Island Agent – Licensee or Non-licensee?"

In the same article, the paragraph reading, "Real estate licensees listing and selling investment or rental properties should disclose to potential buyers and the licensees representing them, the requirement for an on-island agent if the buyer of a rental property does not or will not reside on the island where the property is located." is clarified to read, "Real estate licensees listing and selling investment or rental properties may disclose, in accordance with their brokerage's policies and procedures manual, to those parties concerned, the requirement for an on-island agent if the future owner of a rental property does not or will not reside on the island where the property is located."

The Chair's Message



Aloha!

WHAT IS DUE DILIGENCE AND WHAT IS THE STANDARD?

Buying a home is one of the biggest financial decisions made by a person in their lifetime, especially where real estate comes at a premium, like here in Hawaii. The home purchase journey for a buyer starts with the delivery of a huge

quantity of information, boilerplate disclosures and multiple documents for a buyer's review and approval. For a majority of home buyers, it can be overwhelming and a challenge to absorb and comprehend all the information provided. Many times the only guidance and advice a buyer gets is from their real estate agent, but how much is the agent responsible to know and disclose about the property?

What is Due Diligence?

Merriam-Webster defines "due diligence" as, "the care that a reasonable person exercises to avoid harm to other persons or their property." The Language of Real Estate partially defines "due diligence" as "[a] fair, proper and due degree of care and activity." Although the term is not defined in HRS, Chapter 467 or the accompanying administrative rules, licensees do seem to have some type of duty to exercise reasonable care in performing diligence (HRS, Section 467-14(18)). The extent of how much due diligence is performed by an agent in a residential property, however, is set by the industry standard.

What is the Standard?

It's not a surprise that the standard in many jurisdictions seems to be generally determined by custom and practice and in some jurisdictions, shaped by case law. The standard seems to vary from jurisdiction to jurisdiction. In some jurisdictions, an agent representing the land area or living area of the improvement is individually responsible for first verifying the area by using certain, specific standards, rather than passing on the TMK of the parcel or the condominium map. Other jurisdictions apply a "reasonable effort" standard, which can vary in interpretation to mean a review of all the information being provided by seller, or to merely mean the delivery of the information provided by seller to the buyer. It's important to know what the standard might be in the applicable jurisdiction as a defense or a mitigating factor in the event of disputes.

What seems to be generally consistent is that it's the seller's obligation to disclose material facts about the property, and the buyer's obligation to observe and consider facts which are reasonably within his ability to ascertain. Agents will typically advise the buyer to engage

a real estate attorney to review the disclosure documents; however, many buyers are intimidated or don't want to pay, in addition to the cost of a property, attorneys' fees. Unfortunately, as a practical matter, that leaves many buyers relying solely on their agents for information and assistance in their purchase decision.

Setting and Communicating the Standard is Key.

In Hawaii, all material items should be disclosed by the seller in the Seller's disclosure Statement (HRS, Chapter 508D). Does the client, however, expect the agent to raise certain "red flag" items on that disclosure statement based on his/her past experience? What is a brokerage firm's policy on the extent of an agent's due diligence and is it clearly stated? How does the firm ensure that the client understands the agent's scope in performing due diligence? As a risk management tool, policies should clearly define the agent's responsibilities or limitations, which should be communicated to the client. Of course, agents will advise their client to review the legal documents and to have them reviewed by their real estate attorney, but when does the agent's knowledge gained from that "How to Read a Title Policy" or that "Land Use Entitlement" course obligate the agent to research and disclose additional diligence concerns that the agent might see to the client?

The purpose of this article is to provide food for thought on what is the standard for due diligence for agents in Hawaii and how to communicate a consistent standard in the industry. The point is to be proactive in developing internal policies and procedures to evidence a consistent practice among agents and to communicate the agents' role in due diligence, if any, to their clients to minimize misunderstandings and claims for misrepresentations and disputes.

(s) Nikki T. Senter
Chair

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November 30 Is Just Around The Corner

Remember, the renewal deadline for all real estate licensees is **NOVEMBER 30, 2014**. All real estate licenses, course certifications, prelicense schools, instructors, and guest lecturer certifications and registrations, as well as continuing education provider registrations must be renewed by the renewal deadline to be assured that there is no break in the validity of your license or certification or registration.

ON-LINE RENEWAL is available as of October 20, 2014. Information is posted on the Commission's website, which you may access through your MyPVL account.

It is highly recommended that **the licenses/registrations of the brokerage firm, PB, BICs, and RBOs be simultaneously renewed during early November** and prior to renewals of all associating licensees to ensure sufficient time to correct any problems and to ensure successful renewals of associating licensees. If an associating licensee's renewal application is submitted prior to the PB's, BIC's, and brokerage firm's renewal applications, the associating licensee's renewal application will be held in suspense until the PB, BIC(s), and brokerage firm have successfully renewed all licenses.

This is referred to as a "dependency." The successful renewal of a license is dependent on the successful, prior renewal of other licenses, related to the dependent license.

PBs and BICs should complete all CE requirements immediately as successful renewal includes completion of CE requirements prior to submission of a renewal application.

To re-register a branch office, a BIC's license must also be successfully renewed in addition to the PB's license and the brokerage firm's license. If the PB's, BIC's, and/or the brokerage firm's license are not successfully renewed **prior** to the associating licensees, the license renewal applications of all associating licensees will be placed on "suspense" and renewed on **inactive** status come January 1, 2015.

Whether license renewals are handled by the individual licensee or the brokerage firm, the **PB is responsible for the associating licensee's current and active status**. It is recommended that PBs ensure all associating licensees are current and active by requiring all licensees to submit a photocopy of their 2015-2016 pocket license prior to December 31, 2014. **REMEMBER**, by January 1, 2015, licenses which are not renewed are converted to a **forfeited status**. If this conversion takes place, disciplinary action may occur and the consumer may recover all commissions and/or compensations paid.

RENEWING ON ACTIVE STATUS: Individual licensees who wish to renew their license on active status need to complete 20 hours of approved continuing education (CE) courses. Licensees are

required to take the 2013-2014 mandatory core course, which consists of Part A and Part B for a total of 5 hours. The CE completion certificates do not have to be submitted with the renewal application unless otherwise instructed. All CE courses should be completed in advance of the date of submission of the renewal application or the license may be renewed on an inactive status. Any individual licensee who has renewed but failed to complete the CE requirement will be renewed on an inactive status without further notice.

CE RECORDS: Upon completion of a CE core or elective course(s), the course completion information will be downloaded to the Commission's Online Real Estate Continuing Education database **by the CE Provider who offered the course**. Course certificates may be printed by the licensee, if necessary.

<http://pvl.ehawaii.gov/rece> A principal broker or licensee may verify if a licensee has completed the 20 hours CE requirement, the specific courses completed, the number of CE hours required, the number of CE hours earned, and the number of CE hours remaining to complete the CE requirement.

RENEWING ON INACTIVE STATUS: Individual licensees who renew their license on an inactive status do not have to complete the CE requirement but must submit the renewal application and fees by November 30, 2014. An inactive licensee desiring to change to active status shall submit the CE certificates with a completed Change Form and a reactivation fee of \$25.00.

NEW SALESPERSON in 2014: If you were issued a **new salesperson** license in calendar year 2014 and renew your license by the renewal application deadline of November 30, 2014, you will be deemed to have completed equivalent to the CE requirement and will not have to complete the CE requirement for this license renewal only. (Note: This does not apply to new brokers who received their broker's license in 2014.)

CANDIDATES FOR LICENSURE: Subject to compliance with the license application deadline, a candidate for licensure may want to consider being licensed as of January 1, 2015 rather than the remaining months of 2014 and be subject to renewal requirements. Please call the Real Estate Branch (808-586-2643) for additional information.

Principal Broker Unable to Act - What Happens?

For the brokerage firms that have designated brokers-in-charge (BICs), and these are usually the larger brokerage firms with more than 10 associated agents, when the principal broker is unable to act, whether because of a serious or prolonged illness or death, a broker-in-charge may assume the management and supervision responsibilities until a new principal broker is designated. For entities, the officers of the corporation or the managers/members of a limited liability company or partnership, may designate the new principal broker.

For the smaller brokerage firms or for the many sole proprietorships where there may be only one or two agents associated with the brokerage, there often is no designated BIC. So, if the principal broker is suddenly unable to act, the associated agents may be "stuck". With no principal broker in place, the real estate licenses associated with the brokerage firm may be placed on involuntary inactive license status. (See Hawaii Administrative Rules (HAR), §16-99-5.1(a)(6) and (b)(2)) A licensee with an inactive license may not transact any real estate business until the license status is changed to "active" status. (see HAR, §16-99-2 Definitions). No brokerage may function with no principal broker (and no BIC(s)).

It is a good practice for small brokerage firms and sole proprietors to associate at least one broker-salesperson who may then be designated as a BIC. This will protect, for awhile, the brokerage and that agent or agents, from having their licenses placed on involuntary inactive status should the principal broker suddenly be unable to act.

For small brokerages that are licensed as a corporation, partnership, or a limited liability company/limited liability partnership, the officers of the entity may appoint a new principal broker. For a sole proprietorship, however, this option is not available. While sole proprietorships are often one-man or one-woman operations, there are instances where there are agents associated with the sole proprietorship. If the principal broker/sole proprietor was unable to act and there is no BIC associated with the sole proprietorship, all associated agents would have their license placed on involuntary inactive status. The sole proprietorship would also be involuntarily inactivated.

HAR, §16-99-3(o), states, "**Prior to the time** (emphasis added) the principal broker or the broker in charge is absent from the principal place of business for more than thirty calendar days, and no other broker in charge is registered with the principal place of business, the principal broker shall submit to the commission a signed, written notification of the absence designating a temporary principal broker or temporary broker in charge, who shall acknowledge the temporary designation by signing the notification. In case of prolonged illness or death where the principal broker or broker in charge is unable to act, another broker shall be designated as the temporary principal broker or broker in charge within thirty days of

the illness or death with appropriate notification to the commission. A temporary principal broker or broker in charge arrangement shall not exceed a period of six months, with the right to extend prior to expiration for another six months for good cause and with the approval of the commission." ** (**Note: this rule is subject to amendment based on the rule-making process currently underway.)

As emphasized above, the principal broker or broker in charge must designate a temporary principal broker or broker in charge prior to an absence of more than thirty calendar days if there is no designated broker in charge in the brokerage firm. The Commission highly recommends that a "line of succession" be determined and included in the brokerage's policies and procedures manual. The written notification to the commission of the designation of a temporary principal broker or broker in charge is done via the Change Form, available on the Commission's website at www.hawaii.gov/hirec, click on "forms".

Broker Experience Certificate – certification of experience

When a salesperson licensee wishes to sit for the broker license exam, the salesperson licensee must obtain a Broker Experience Certificate ("BE") to present at the exam. The BE is obtained via the licensee's current and former principal brokers certifying the licensee's experience as a full-time salesperson (40 hours/week) within the preceding five years from when the BE application is submitted. The salesperson must have certified experience of a minimum of 156 weeks. Each principal broker must submit a signed experience certification, which the licensee also certifies, attesting to the total number of weeks the salesperson was actively engaged in full-time real estate salesperson activity. (See HAR §16-99-19.2)

There is no credit for any experience for periods during which the applicant's license was inactive, forfeited, suspended, revoked, or terminated.

What happens if the principal broker is no longer available and unable to act? If there is a BIC, the BIC may certify the experience statement in place of the PB. If there is no PB, for example, if the PB is a sole proprietor, and is suddenly incapacitated, and there is no BIC, the salesperson will not be able to obtain an experience certification statement. Without the experience certification statement(s), the salesperson will be unable to obtain the BE. With no BE, the licensee will not be able to sit for the broker's licensing exam.

Salesperson licensees may consider obtaining an original experience certification statement from their PB or BIC when they leave or move to another brokerage, or obtaining an updated one on a regular interval basis. This may help to avoid not being able to track down a former PB, and will also avoid the problems when a former PB is no longer available. Only original, signed experience certification statements are accepted with the BE application.

Administrative Actions

June 2014

**Douglas S. Konishi and
Raymond N. Oishi**
RS 33318
RB 15841
Case No. REC 2013-25-L
Dated 6/27/14

Uncontested Facts

At all relevant times, Respondent Oishi was the principal broker of Oishi's Property Management Corp.

RICO alleges that Respondent Konishi's licensed expired on 12/31/10 and was restored on 12/17/12. Respondent Konishi mistakenly believed his license was current and restored his license as soon as he learned otherwise. Respondent Oishi, as Respondent Konishi's principal broker, failed to ensure Respondent Konishi's license was timely renewed. Respondent Konishi engaged in the practice of real estate while his license was not active.

Sanction: Konishi to pay a fine of \$2,000.00.
Oishi to pay a fine of \$1,000.00

Violations: Konishi – HRS §467-7
Oishi – HRS §467-1.6(b)(7)

Agustina C. Salon
RS 42324
Case No. REC 2012-267-L
Dated 6/27/14

Uncontested Facts

RICO alleges that Respondent's real estate license expired and/or was forfeited on 12/31/10. Respondent mistakenly believed her license was current and restored her license as soon as she learned otherwise. Respondent is alleged to have undertaken activities requiring a license between approximately 1/1/11 and 5/22/12.

On 12/31/10, Respondent was associated with Judith Ann Pryne, dba Keale Realty. Respondent restored her license on 5/22/12. Respondent ended her association with Keale Realty on 12/31/12.

Sanction: Pay a \$1000.00 fine.

Violation: HRS § 467-7

July 2014

**Karla F. Casey dba Casey &
Associates**
RB 17901
Case No. REC 2012-238-L
Dated 7/25/14

Uncontested Facts: Casey was, at all relevant times, the principal broker of Casey & Associates. Carol Russell was licensed as a real estate salesperson, RS 61578. Between approximately 6/24/09 and 12/27/13, Russell was affiliated with Casey & Associates as a salesperson. Since about 12/27/13, Russell has been affiliated with Maui Estates International LLC. Russell's license expired on 12/31/10 and was restored 4/17/12. Casey failed to ensure Russell's license was timely renewed. Russell engaged in the practice of real estate while her license was not active. RICO intends to resolve any claims involving Russell in separate proceedings.

Sanction: Pay a \$1,000.00 administrative fine.

Violation: HRS §467-1.6(b)(7)

Cathryn L. Shanley
RS 59555
Case No. REC 2013-189-L
Dated 7/25/14

Uncontested Facts: Respondent's real estate license expired on 12/31/12 and was restored on 4/29/13. Respondent mistakenly believed her license was current and restored her license as soon as she learned otherwise. Respondent engaged in the practice of real estate while her license was not active. RICO separately investigated the conduct of the Respondent's principal broker and intends to resolve any claims in that case in a separate proceeding.

Sanction: Pay a \$2,500.00 fine.

Violation: HRS §467-7

Administrative Actions (cont. from page 6)

July 2014 (cont.)

**Selwyn M. King and
Wayne K. Tani**
RS 42471
RB 142j06
Case No. REC 2012-227-L
Dated 7/25/14

Uncontested Facts: Respondent King's license expired on 12/31/10 and was restored on or about 5/31/12. King mistakenly believed his license was current and restored his license as soon as he learned otherwise. Respondent Tani was, at all relevant times, the principal broker of Blue Ribbon Realty, Inc. Respondent Tani, as King's principal broker, failed to ensure King's license was timely renewed. King engaged in the practice of real estate while his license was not active.

Representations by Respondents: King submits that he completed a 3-hour CE course through REMI School of Real Estate ("REMI") on or about 11/17/10 and that REMI's records from 2010 reflect his completion of the course. King submits that he believes that the CE database used by the DCCA to reflect licensees' CE courses

shoed in 2010 that he had completed the CE course. King further submits that in May, 2012, when he learned that his real estate license was inactive, the DCCA CE database did not show that credit had been given for the CE course. King believes that he attempted to renew his license online in approximately November 2010 but has no documentation to demonstrate that he completed or paid for such a renewal.

Sanction: King to pay a fine of \$2,000.00.
Tani to pay a fine of \$1,000.00

Violations: HRS §467-7, and HRS §467-1.6(b)(7)

August 2014

**Monalisa Sabo, Prudential
Locations, LLC, and Helen
M. Lindemann,**
RS 58453
Case No. REC 2013-177-L
Dated 8/29/14

Allegations

Upon information and belief, sometime in 2011, the non-resident owners of a home, (hereafter "Owners") in Mililani, Hawaii (hereafter "Property"), began communicating with the Respondent about brokering the Property including renting it short-term before selling it outright to a buyer.

The Owners themselves rented and managed the Property before December of 2011. Thereafter, for a 5-month period that began in or around December of 2011 and ran through some time in or around April of 2012, the Owners communicated with the Respondent verbally, in writing, and through text messages about renting and selling the Property.

During said 5-month period the Respondent took on obligations, performed tasks and, communicated with third parties related to renting and selling the Property. Specifically, it is believed that:

- The Respondent communicated with the Owners about potential terms for brokering the Property, including renting it short-term before selling it outright to a buyer;
- The Respondent visited and physically inspected the Property;
- The Respondent photographed the Property and transmitted the images to the Owners;
- The Respondent discussed and provided information to the Owners about the condition of the Property and

repairs that should be completed to ready the Property for lease and sale, and/or a sale;

- The Respondent proposed a pre-sale "staging" of the Property;
- The Respondent communicated with the last tenant who occupied the Property about obtaining the set of keys to the Property;
- The Respondent placed a lock box on the Property;
- The Respondent provided the lock box access code to persons interested in viewing or accessing the Property for maintenance and repair issues;
- The Respondent provided the Owners with a preliminary title report for the Property;
- The Respondent recommended, and/or offered to, and/or contacted and/or accepted proposals about, and/or arranged for, and/or coordinated with, contractors and vendors about cleaning the Property, repairing the home's air conditioning, and, addressing a possible slow water-leak and mold rehabilitation issue;
- The Respondent communicated with the Owners' insurance adjuster about the possible water-leak and mold rehabilitation issue;
- The Respondent initiated contact with or followed up with prospective tenant or buyer,

Administrative Actions (cont. from page 7)

August 2014 (cont.)

- The Respondent communicated with a prospective buyer, on specifics related to buying the Property such as down payment scenarios for different loans and the possibility of the prospective buyer occupying the Property early via a rental arrangement of \$5,000 per month payable to the Owners;
 - The Respondent communicated with another prospective buyer/tenant (hereafter referred to collectively as "prospective tenant/buyer2"), about specifics related to renting and then buying the Property outright such as occupancy dates, monthly rent amount, depositing \$100,000 in earnest money into an escrow accounting pending completion of the sale of the Property to them, Property repairs that should be completed prior to or as a condition of occupancy by the prospective buyer/tenant2, and, coordinating the contractors and vendors who would perform the repairs before the home was occupied, rented and then later sold to the prospective buyer/tenant2;
 - The Respondent was aware also, while the Respondent herself was negotiating and coordinating with the prospective buyer/tenant2 about things affecting the expected transfer of the Property to them through the lease and sale arrangement, that the Owners were communicating directly with the prospective buyer/tenant2, too, about matters concerning the expected rent and sale of the Property to the prospective buyer/tenant2;
 - The Respondent received at Prudential's offices, and then transferred to the Owners sometime between 2/7/12 and 2/10/12, a copy of a bank check made out to the Owners for \$2,500.00 from the prospective buyer/tenant2.
 - The Respondent received at Prudential's offices, and then transferred to the Owners sometime between 2/7/12 and 2/10/12, a copy of a Residential Lease/Rental Agreement for the Property between the prospective buyer/tenant2 as tenants and the Owners as landlord. The prospective buyer/tenant2 signed said agreement on or around 2/3/12, for a term running from 2/11/12- 10/31/12, for \$5,000 monthly in rent due on the 1st of each month.
 - The Respondent received also, in early February of 2012, what purported to be a \$5,000 monthly rental payment for the Owners from the prospective buyer/tenant2, and, provided a copy of said \$5,000 check to the Owners;
 - The Respondent communicated with the prospective buyer/tenant2 and the Owners also about whether rent from the prospective buyer/tenant2 would be pro-rated for the month of February 2012;
 - The Respondent emailed the Owners on 2/9/12. The subject line of the email said: "Listing Agreement / Sales Contract / Mortgage Payoff," and, in the email Respondent advised the Owners that: "I need the Listing Agreement back asap." Attached to the email were many documents, including Prudential's 3-page exclusive listing agreement (hereafter documents are referred to collectively as "Listing Packet");
 - The Respondent received from the Owners, on 2/9/12, a copy of a partially signed and fully-initialed 3-page Prudential exclusive listing agreement for the period 2/6/12- 12/6/12. Both of the Owners dated and initialed the bottom right corner of each page of the listing agreement but only one of the owners' full signature & date appears on the final page. The prospective buyer/tenant2 were identified in the listing agreement at page 3, paragraph 19 - as the Customer and buyer for the listing period.
 - The Respondent advised the Owners in writing on 2/9/12 of the following:

Please read the prospective buyer/tenant2's email below. I will ask you to please reply to me direct and not contact prospective buyer/tenant2; since I am now representing You the Sellers in the sale of your house.
 - The Respondent requested in writing, several times, that the Owners return to her an executed copy of the Listing Packet materials.
 - The Respondent entertained questions from the Owners about representation, fees and costs for the Respondent's services for brokering the Property even after the 2/9/12 email exchange between the Respondent and the Owners;
 - In addition to the previously emailed Listing Packet, the Respondent provided the Owners with a Limited Service Representation document also for their review and consideration.
- Despite the plethora of activity and communication by and between the Respondent, the Owners, the prospective buyer/tenant2, and

Administrative Actions (cont. from page 8)

August 2014 (cont.)

third parties related to renting or selling the Property during said 5-month period, the Respondent never obtained, nor held in her custody, nor furnished to the Owners, an exclusive listing agreement that was signed fully by the Owners and Prudential.

At no time during the 5-month period did the Respondent receive or provide to the Owners any written agreement signed by them, Prudential and the Respondent which defined fully the scope, obligations and fee arrangements for Respondent and Prudential's services.

The sale of the Property to the prospective buyer/tenant2 did not go through.

The Owners discovered sometime after April of 2012 that the Respondent may have been assisting the prospective buyer/tenant2 with the purchase of another home in Mililani sometime during the same 5-month period that the prospective buyer/tenant2, the Respondent and the Owners were communicating about the prospective buyer/tenant2 renting and buying the Property.

The prospective buyer/tenant2 began actual and/or constructive occupation of the Property sometime in or around January of 2012, and, continued to live in the home until the Owners prevailed eventually in an eviction lawsuit that they filed against the prospective buyer/tenant2 sometime in the summer of 2012.

After the Owners' professional relationship with the Respondent ended sometime in or around April of 2012, the Owners learned that the prospective buyer/tenant2 had been long-time friends of the Respondent. At no time during the 5-month period between December of 2011 and April of 2012, however, did the Respondent inform the Owners of her long standing friendship with the prospective buyer/tenant2.

In 2009, when allegations of failure to pay taxes and criminal proceedings arose against the Respondent, the Respondent received a warning letter from RICO which advised the Respondent to know, and be compliant with, the laws governing Respondent's license.

In or around June of 2012 the Owners filed a complaint against the Respondent with the Honolulu Board of

Realtors ("HBR"). An Opinion and Decision was issued in May of 2013 following a re-hearing of the case before the HBR's Professional Standards and Arbitration Committee. The HBR found that the Respondent's conduct regarding the Property transaction violated ethical standards. Consequently, Respondent received from the HBR a letter of reprimand, a \$500 fine, and, a mandate to complete education courses at Respondent's expense.

Respondent's conduct during the 5-month period was evaluated by Prudential also, and, Prudential asserts that the Respondent has been disciplined in accordance with their policies and procedures.

Respondent does not admit to and vigorously denies the RICO allegations set forth in section B. Respondent vigorously denies having violated any licensing law or rule. Respondent enters into this Settlement Agreement as a compromise of the claims only, and, to conserve on the expense of proceeding with a hearing in this matter.

Respondent asserts, as mitigating factors here, that she has been disciplined already by the HBR and Prudential, and, that she has or is in the process of complying fully with said disciplines.

Respondent agrees that this Settlement Agreement resolves RICO Case No. REC 2013 ~ 177-L as it pertains to her only.

Sanction: Pay a \$2,500.00 administrative fine.

Violations: HAR § 16-99-3(f), HRS § 436B-19(7), HRS § 467-14(4), (13)

Administrative Actions (cont. from page 9)

August 2014 (cont.)

Loren M. Small a.k.a. Mike Small

RS 71059
Case No. REC 2013-306-L
Dated 8/29/14

Allegations

Upon information and belief, in April of 2011 the Respondent pled no contest in the District Court of the First Circuit to the crime of driving under the influence (hereafter "Conviction"). The Respondent disclosed the Conviction in writing to the Commission.

The Respondent fulfilled all Court-imposed terms and conditions of the Conviction.

Respondent does not admit to the allegations set forth and Respondent denies having violated any licensing law or rule. Respondent enters into this Settlement Agreement as a compromise of the claims and to conserve on the expense of proceeding with a hearing in this matter.

Sanction: Pay a \$500.00 administrative fine.

Violations: HRS § 436B-19(12), HRS § 436B-19(14), HRS § 436B-19(17)

Samuel H. Yoshida dba Samuel Hayato Yoshida, a Real Estate Salesperson

RS 75121
Case No. REC 2014-13-L
Dated 8/29/14

Allegations

Upon information and belief, in December of 2013 the Respondent pled no contest in the District Court of the First Circuit to the crime of driving under the influence (hereafter "Conviction"). The Respondent disclosed the Conviction in writing to the Commission.

The Respondent fulfilled all Court-imposed term and conditions of the Conviction.

Respondent does not admit to the allegations set forth in section B and Respondent denies having violated any licensing law or rule. Respondent enters into this Settlement Agreement as a compromise of the claims and to conserve on the expense of proceeding with a hearing in this matter.

Sanction: Pay a \$500.00 administrative fine.

Violations: HRS § 436B-19(12), (14), (17)

Gregory S. Gerstenberger

RS 56575
Case No. REC 2013-148-148-L
Dated 8/29/14

Uncontested Facts:

RICO alleges that Respondent's real estate license expired on or about December 31, 2012 and was restored on or about April 29, 2013. Respondent mistakenly believed his license was current and restored his license as soon as he learned otherwise. Respondent engaged in the practice of real estate while his license was not active. Respondent fully cooperated with RICO in the investigation of this matter.

RICO has separately investigated the conduct of Respondent's principal broker and intends to resolve any claims brought in that case in a separate proceeding.

Respondent has provided Petitioner with information regarding any compensation earned by Respondent while his license was inactive and/or forfeited.

Respondent enters into this Settlement Agreement as a compromise of the claims and to conserve on the expenses of proceeding with an administrative hearing on this matter.

Respondent agrees that this Settlement Agreement is intended to resolve the issues raised in RICO's investigation in RICO Case No. REC 2013-148-L.

Sanction: Pay a \$1,500.00 administrative fine.

Violation: HRS § 467-7

Administrative Actions (cont. from page 10)

September 2014

Wilmar M. Bumanglag

RS 70585
Case No. REC 2013-359-L
Dated 9/26/14
Allegations

Upon information and belief, on or about 9/17/13, the Respondent pled no contest in the District Court of the Second Circuit, State of Hawaii, to the crime of driving under the influence (hereafter "Conviction").

Respondent disclosed the Conviction in writing to the Commission.

Respondent fulfilled all Court-imposed terms and conditions of the Conviction.

Sanction: Pay a \$500.00 administrative fine.

Violations: HRS § 436B-19(12), (14), (17)

Kristin Ann Crowe

RS 73880
Case No. REC 2013-186-L
Dated 9/26/14

Allegations

Respondent's real estate license expired on or about December 31, 2012 and was restored on or about April 29, 2013. Respondent mistakenly believed her license was current and restored her license as soon as she learned otherwise. Respondent engaged in the practice of real estate while her license was not active.

RICO has separately investigated the conduct of Respondent's principal broker and intends to resolve any claims brought in that case in a separate proceeding.

Respondent has provided Petitioner with information regarding any compensation earned by Respondent while her license was inactive and/or forfeited.

Sanction: Pay a \$1000.00 administrative fine.

Violation: HRS § 467-7

Carol Russell

RS 61578
Case No. REC 2012-238-L
Dated 9/26/14

Uncontested Facts:

Karla F. Casey was, at all relevant times, the principal broker of Casey & Associates.

Between approximately June 24, 2009 and December 27, 2013, Respondent was affiliated with Casey & Associates as a real estate salesperson.

Since approximately December 27, 2013, Respondent has been affiliated with Maui Estates International LLC.

RICO alleges that Respondent's license expired on or about December 31, 2010 and was restored on or about April 17, 2012. Respondent mistakenly believed her

license was current and restored her license as soon as she learned otherwise. Respondent engaged in the practice of real estate while her license was not active.

Respondent fully cooperated with RICO in the investigation of this matter, including providing documentation of real estate activities in which Respondent engaged between January 1, 2011 and April 17, 2012.

Sanction: Pay a \$2500.00 administrative fine.

Violation: HRS § 467-7

Chris M.T. Bodden a.k.a. Christopher Bodden

RS 64070
Case No. REC 2013-204-L
Dated 9/26/14

Allegations

Upon information and belief, sometime during the summer of 2011 the Respondent pled no contest in the District Court of the First Circuit to the crime of driving under the influence (hereafter "Conviction").

The Respondent disclosed the Conviction in writing to the Commission.

Respondent fulfilled all Court-imposed terms and conditions of the Conviction.

Sanction: Pay a \$500.00 administrative fine.

Violations: HRS § 436B-19(12), HRS § 436B-19(14), HRS § 436B-19(17)

Statutory/Rule Violations

Settlement Agreement (Allegations/Sanction): The Respondent does not admit to the allegations set forth by the Regulated Industries Complaints Office (RICO) and denies having violated any licensing law or rule. The respondent enters in a Settlement Agreement as a compromise of the claims and to conserve on the expense of proceeding with a hearing on the matter.

Disciplinary Action (Factual Findings/Order): The respondent is found to have violated the specific laws and rules cited, and the Commission approves the recommended order of the Hearings Officer.

HRS §467-1.6(b)(7)	The principal broker shall be responsible for ensuring that the licenses of all associated real estate licensees and the brokerage firm license are current and active.
HRS §467-7	No person within the purview of this chapter shall act as real estate broker or real estate salesperson, or shall advertise, or assume to act as real estate broker or real estate salesperson without a license previously obtained under and in compliance with this chapter and the rules and regulations of the real estate commission.
HRS §467-14(4)	Without first having obtained the written consent to do so of both parties involved in any real estate transaction, acting for both the parties in connection with the transaction, or collecting or attempting to collect commissions or other compensation for the licensee's services from both of the parties
HRS §467-14(13)	Violating this chapter, chapters 484, 514A, 514B, 514E, or 515, or section §516-71, or the rules adopted pursuant thereto.
HRS §436B-19(7)	Professional misconduct, incompetence, gross negligence, or mani-fest incapacity in the practice of the licensed profession or vocation.
HRS §436B-19(12)	Failure to comply, observe, or adhere to any law in a manner such that the licensing authority deems the applicant or holder to be an unfit or improper person to hold a license.
HRS §436B-19(14)	Criminal conviction, whether by nolo contendere or otherwise, of a penal crime directly related to the qualifications, functions, or duties of the licensed profession or vocation.
HRS §436B-19(17)	Violating this chapter, the applicable licensing laws, or any rule or order of the licensing authority.
HAR §16-99-3(f)	The licensee, for the protection of all parties with whom the licensee deals, shall see that financial obligations and commitments regarding real estate transactions, including real property rental management agreements, are in writing, express the exact agreements of the parties, and set forth essential terms and conditions, and that copies of those agreements, at the time they are executed, are placed in the hands of all parties involved.

Welcome New Commissioner Aleta Klein



Aleta Klein, CRS, GRI, BPO is the newest Real Estate Commissioner, O'ahu, Broker. She is the President and Principal Broker of KleinCo, LLC. She will serve as an interim Commissioner effective July 16, 2014, until approved by the Hawaii State Legislature at its next 2015 session.

Ms. Klein is active in the real estate community having served on the Commission's Education Evaluation Task Force and the current Ad Hoc Committee on Education. She has also served on the Board of Directors for the Hawaii Association of REALTORS® from 2004-2008, and as its Treasurer in 2008. She served eight years on HAR's Standard Forms Committee in various stints, and on the Professional Standards and Arbitration Committee from 2003-2008.

She is a trained mediator.

Specialists' Office of the Day on Kauai

The Real Estate Commission's Real Estate and Condominium Specialists will offer Specialists' Offices for the Day at the Grove Farm Building Conference Room on Wednesday, November 12, 2014, to discuss real estate licensing and condominium concerns with interested parties.

The Specialists are prepared to discuss questions about licensing laws and rules, license applications, broker experience certificate applications, examination administration, continuing education, new legislation, Commission procedures, educational programs, and related topics.

Other questions that may come up at the sessions concern boards, associations, meetings, managing agents, condominium association

registration, condominium hotel operators, fidelity bonding, the condominium property regime statute, public reports, project registration, the condominium dispute resolution program, new legislation, reserves, and other condominium-related topics.

If you have any questions, you may contact a Real Estate Specialist or a Condominium Specialist at (808) 586-2643. You may also write to: Real Estate Commission, 335 Merchant Street, Room 333, Honolulu, HI 96813, or you may email staff at hirec@dcca.hawaii.gov.

The Specialists' Office for the Day program is funded by the Condominium Education Trust Fund and the Real Estate Education Fund.

2014 Real Estate-Related Legislation

The following legislation from the 2014 legislative session was passed on the dates indicated and is identified by the bill number and Act number. The legislative summaries that appear below are included in the Commission's 2014 Core Course, Part B. For more information on any of the legislation visit the Hawaii State Legislature's website at www.capitol.hawaii.gov.

House Bills

BILL	TITLE	DESCRIPTION
HB1503 HD1 SD1 Act 060 4/30/14	RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.	Voids any rental agreement provision that allows for eviction of a tenant who has a valid certificate for the medical use of marijuana unless: (1) the rental agreement allows for eviction for smoking tobacco and the medical marijuana is smoked; or (2) the documents of a condominium property regime or planned community association prohibit the medical use of marijuana. Effective 11/01/2014. (SD1) Comments: Prohibits eviction of a tenant using marijuana for medical purposes (exceptions).
HB1579 Act 019 4/16/14	RELATING TO JUDGMENT LIENS.	Clarifies that money judgments are considered valid liens against all real property, including registered property, when recorded in the bureau of conveyances.
HB1671 HD1 SD1 Act 174 7/1/14	RELATING TO TRANSIENT ACCOMMODATIONS TAX.	Increases the current cap on transient accommodations tax revenues to be distributed to the counties for two fiscal years. Establishes a working group to determine future county allocation ceiling amounts and the appropriate division of the provision of public services between the State and counties. (CD1) Comments: Replaces the \$93 million annual cap with a \$103 million cap.

2014 Real Estate-Related Legislation (cont. from page 13)

House Bills (cont.)

<p>HB1830 HD2 SD1 Act 073 5/1/14</p>	<p>RELATING TO REAL ESTATE APPRAISERS.</p>	<p>Requires arbitration awards, records of awards, and related supporting materials under chapter 466K, Hawaii Revised Statutes, to be public records. Requires licensed or certified real estate appraisers who are named or appointed in a submission agreement to appraise or arbitrate entered into after July 1, 2014, to record with the bureau of conveyances all arbitration awards; records of awards, if separately issued; and any supplementary, dissenting, or explanatory opinions on awards within ninety days of the notification of the determination of the award to the parties. Specifies that no agreement between the parties or the appraisers acting as arbitrators may preclude or deny the requirement to record an award, the record of the award, or any supplementary, dissenting, or explanatory opinions. Clarifies that failure to comply is a violation of real estate appraiser license or certification requirements. (SD1)</p> <p>Comments: Makes arbitration awards, supporting materials, a matter of public record.</p>
<hr/>		
<p>HB1866 HD2 SD2 Act 061 4/30/14</p>	<p>RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.</p>	<p>Amends requirements for notice, hearing, approval, and vesting of rights for development permits. Amends HCDA membership and appointment. Permits sale of reserved housing units. Permits cash-in-lieu payments for reserved housing requirements. Establishes legislative oversight of HCDA bond authority. Prohibits HCDA acquisition of public land by set aside. Creates height limit for Kakaako. Effective 7/1/2014. (SD2)</p> <p>Comments: Reduces Governor's power of HCDA appointment, freezes building heights and expands public notice requirement.</p> <p>A related HCDA bill, SB3122, which would have allowed OHA to build residential units in some of its Kakaako-makai parcels, died at the end.</p>
<hr/>		
<p>HB2019 HD2 SD1 Act 228 7/7/14</p>	<p>RELATING TO TIME SHARE.</p>	<p>Allows prospective time share purchasers to receive printed or electronic copies of the disclosure statement. Amends developer registration renewal requirements by: permitting the developer to disclose in its renewal application either the total number of time share interests registered for sale in each unit or the total number of points registered for sale in each property; eliminating the requirement that developers provide title insurance and title reports; and eliminating the requirement that developers file a financial statement. (SD1)</p> <p>Comments: Relaxes requirements on developers regarding disclosures, registration.</p>

2014 Real Estate-Related Legislation (cont. from page 14)

House Bills (cont.)

HB2045 HD1 SD1 Act 065 4/30/14	RELATING TO PLANNED COMMUNITY ASSOCIATIONS.	Provides a remedy for community associations to recover unpaid assessments for a share of common expenses up to the time of a grant or conveyance of property. Entitles both parties to a statement from the board of directors, either directly or through its managing agent or resident manager, setting forth the amount of the unpaid assessments. Relieves the grantee of liability for any unpaid assessments against the grantor in excess of the amount set forth in the statement, except as to the amount of subsequently dishonored checks mentioned in the statement as having been received within the thirty day period immediately preceding the date of such statement. (SD1) Comments: Allows associations to recover unpaid common expenses through date of conveyance (with conditions).
HB2251 HD1 SD1 CD1 Act 162 6/30/14	RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.	Increases the Hula Mae Multifamily Revenue Bond authorization limit. Comments: Ultimately increases funds available for Hula Mae loans.
HB2275 Act 026 4/25/14	RELATING TO MORTGAGE RESCUE FRAUD.	Clarifies definition of "distressed property consultant" and specifies that attorneys must be licensed by, and engaged in the practice of law in, the State of Hawaii in order to fall within the class of exceptions to the definition of "distressed property consultant". Comments: Tightens restrictions on who can assist a Hawaii homeowner faced with foreclosure. Consultants must use locally licensed attorneys, if necessary. Law broadens definitions of a DPC.
HB2401 HD2 SD2 CD1 Act 188 7/1/14	RELATING TO CONDOMINIUMS.	Consolidates into one section under chapter 514B, Hawaii Revised Statutes, the documents, records, and information that must be made available to any unit owner and the unit owner's authorized agents and specifies that these documents, records, and information shall be provided to the unit owner or owner's authorized agent no later than thirty days after receipt of a unit owner's or owner's authorized agent's written request. Comments: States what documents must be made available to a condo owner and by when (30 days after receipt of written request).
HB2434 HD2 SD2 CD1 Act 081 5/19/14	RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.	Establishes a method to use transient accommodations tax revenues to pay the debt service on revenue bonds issued by the Hawaii tourism authority to acquire a conservation easement in Turtle Bay, Oahu. (CD1) Comments: Passed just before closing, this landmark bill authorized \$40 million in State revenue bonds to help acquire a conservation easement and preserve 665 acres of land at Turtle Bay.

2014 Real Estate-Related Legislation (cont. from page 15)

House Bills (cont.)

HB2448 HD2 SD1 CD1	RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.	Authorizes HHFDC to issue bonds to eligible developers for infrastructure on land owned by the eligible developer for the construction of affordable housing.
Act 194 7/1/14		Comments: Allows issuance of bonds to eligible developers for construction of affordable housing infrastructure.
HB2482 HD1 SD1	RELATING TO CONDOMINIUMS.	Clarifies the process for cumulative voting for an election at an association meeting. Amends the definition of "majority" or "majority of the unit owners" and makes corresponding technical amendments associated with this amended definition. Clarifies that directors who are appointed to fill vacancies on a board of directors must stand for election at the next annual meeting or a duly noticed special meeting. Clarifies that the approval of a lease rent collection system and an annual audit of an association's financial accounts and cash balance may be waived at an association meeting by a vote of a majority of all the unit owners if the association is composed of less than twenty owners. Makes other technical amendments to the State's condominium law for purposes of clarity and consistency. (SD1)
Act 189 7/1/14		Comments: Clarifies various association governance issues.
HB2585	RELATING TO FORECLOSURES.	Specifies parties other than unit owners who may be served notice by publication and posting of nonjudicial foreclosure.
Act 004 4/2/14		Comments: Clears up who can be served notice by publication/posting in nonjudicial foreclosure.

Senate Bills

SB2078 SD1	RELATING TO CONDOMINIUMS.	Clarifies the applicability of section 205-4.6, HRS, relating to private restrictions on agricultural uses and activities, to condominium projects on lands classified as agricultural. (SD1)
Act 049 4/25/14		Comments: Prohibits private restrictions in ag condos that curtail legally permitted ag uses and activities.
SB2229 SD2	RELATING TO THE UNIFORM POWER OF ATTORNEY ACT.	Establishes the Uniform Power of Attorney Act. Defines the levels of authority granted in a power of attorney to the principal's agent. Requires the agent to act in good faith and within the scope of authority granted in the power of attorney. Provides sample documents to be used to create a statutory form power of attorney. Repeals Chapter 551D, Hawaii Revised Statutes, the Uniform Durable Power of Attorney Act. (SD2)
Act 022 4/22/14		Comments: Defines levels of power granted by P/A's, provides sample forms. Repeals former Hawaii law on P/A and adopts a new Uniform P/A Act.

2014 Real Estate-Related Legislation (cont. from page 16)

Senate Bills (cont.)

SB2481 SD1 HD1 Act 070 5/1/14	RELATING TO TIME SHARES.	Eliminates requirement that a manager of a time share plan located outside of Hawaii register in Hawaii as a time share plan manager. Requires the disclosure statement for an offering of a time share plan to disclose that the manager of a time share plan located outside of Hawaii is not registered under Hawaii's time share law. Recognizes that an association of time share owners may be any kind of non-profit or not-for-profit entity. Makes housekeeping amendments. Comments: Eliminates need for T/S plan managers located outside of Hawaii to register in Hawaii and to disclose this in offering statement.
SB2483 SD1 HD1 CD1 Act 235 7/7/14	RELATING TO CONDOMINIUM ASSOCIATIONS.	Clarifies that a condominium association may assess unpaid common fees against any purchaser who purchases a delinquent unit in a foreclosure. Specifies that a condominium board may only fill board vacancies temporarily until a duly noticed election. Comments: Clarifies right of condo association to assess unpaid fees against a foreclosure purchaser. Clarifies temporary filling of board vacancies.
SB2542 SD1 HD1 CD1 Act 163 6/30/14	RELATING TO THE DISPOSITION OF THE CONVEYANCE TAX COLLECTIONS TO THE RENTAL HOUSING TRUST FUND.	Restores the allocation of conveyance tax collections to the rental housing trust fund to 50% beginning July 1, 2014. (CD1) Comments: The allocation had previously been cut to 30%.
SB2657 SD2 HD1 CD1	Act 106 6/20/14 RELATING TO RENEWABLE ENERGY.	Requires a contractor that installs a solar energy device to notify the private entity that installation might void the roofing warranties or guarantees. Unless the private entity forgoes the roofing warranty or guarantee, requires a contractor that installs a solar energy device to obtain written approval from the roof manufacturer and follow written instructions for waterproofing roof penetrations from the roof manufacturer. Requires a roofing contractor that waterproofs roof penetrations related to the installation of a solar energy device to honor the roof warranty or guarantee; provided that if either the roofing contractor's guaranty or the roofing manufacturer's warranty is no longer in effect, the contractor who installs the solar energy device and waterproofs the penetrations shall apply the contractor's or lessor's standard labor and workmanship warranty. Comments: Requires certain actions be taken by solar energy and roofing contractors to protect the roofs of homeowner clients.
SB2817 SD2 HD1 Act 198 7/1/14	RELATING TO SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT.	Requires a mortgage loan originator company to be open during specified regular business hours to the public and for examination or investigation by the commissioner. Deletes exemptions for individuals facilitating mortgage loans for their family members and family property. Clarifies that a branch manager may not oversee more than one branch office or principal place of business. Excludes certain information included in NMLS from confidentiality provisions of the law. Comments: Requires that mortgage loan originators be more accessible, change certain policies.

Notice of Public Hearing

Pursuant to Hawaii Revised Statutes (“HRS”) section 467 and chapter 91, notice is hereby given that the Real Estate Commission (“Commission”) will hold a public hearing on Monday, December 1, 2014 at 9:00a.m. in the Capitol Auditorium, Chamber Level, Hawaii State Capitol, 415 South Beretania Street Honolulu, HI 96813, to hear all persons interested in the proposed amendments to Hawaii Administrative Rules (“HAR”) Title 16, chapter 99 pertaining to real estate brokers and salespersons.

The purpose of the proposed amendments is to:

1. REVISE - Prelicense education and experience requirements and equivalencies for brokers and salespersons; Prelicense school, instructors, and administrators requirements and record keeping; Advertising, promotional materials, and trade name usage and registration requirements; Language to reflect current industry practices; purchase language contracts, and changes in technology regarding advertising; License renewal requirements; Continuing education criteria, and requirements for independent study courses, school completion records, student listings, record keeping, and core and elective credits; Criteria for licensing prelicense school instructors and certification, suspension or revocation of continuing education providers; Bond requirements for CE providers, schools offering independent study, and condominium hotel operators; and Advertising as it applies to real estate schools and requirements for school brochures and catalogues.
2. CLARIFY - Handling of trust funds and property other than trusts; Language relating to inactive, forfeited, and deceased licensees, and circumstances under which a brokerage's real estate license will be placed on involuntary inactive status; Date of issuing certificates of completion; and condominium hotel operator trust account and registration requirements and conduct.
3. PROPOSE NEW SECTIONS – addressing condominium hotel operator language; and continuing education instructor evaluations.

All interested parties shall be afforded the opportunity to submit data, views, or arguments, orally and in writing at the time of the hearing. All persons wishing to submit written testimony are requested to submit 20 (twenty) copies of their written testimony by November 17, 2014 to the Professional Vocational Licensing Division at the address printed below.

A copy of the proposed amendments will be mailed to any interested person who requests a copy and upon receipt of \$7.10 for the copy and postage. Please submit your request to the Professional Vocational Licensing Division at the address printed below or contact the Real Estate Branch at (808) 586-2643.

Copies may also be obtained at the following address between 7:45 a.m. and 4:30 p.m., Monday through Friday, excluding holidays: Department of Commerce and Consumer Affairs, Professional Vocational Licensing Division, Real Estate Branch, 335 Merchant Street, Room 333, Honolulu, Hawaii 96813. The cost of a copy is \$7.10.

Further the proposed rules may be viewed in person free of charge at the Real Estate Branch at the address and hours of operation printed above. In addition, the full text of the proposed rules is available and can be downloaded free of charge from the web site of the Department of Commerce and Consumer Affairs: <http://www.hawaii.gov/hirec>

Individuals who require special needs accommodations are invited to call Miles Ino at (808) 586-2643 at least four working days prior to the hearing.

Nikki Senter, Chair
Real Estate Commission
State of Hawaii

Prelicense Schools

Abe Lee Seminars	808-942-4472
Akahi Real Estate Network LLC	808-331-2008
Carol Ball School of Real Estate	808-871-8807
Coldwell Banker Pacific Properties Real Estate School	808-597-5550
Continuing Ed Express LLC	866-415-8521
Dower School of Real Estate	808-735-8838
Fahrni School of Real Estate	808-486-4166
Hawaii Institute of Real Estate, LLC	808-589-0550
Inet Realty	808-955-7653
Property Merchants, Inc. dba All Islands Real Estate School	808-564-5170
ProSchools, Inc.	800-452-4879
Ralph Foulger's School of Real Estate	808-239-8881
REMI School of Real Estate	808-230-8200
Seiler School of Real Estate	808-874-3100
University of Hawaii Maui College - OCET Real Estate School	808-984-3231
Vitousek Real Estate Schools, Inc.	808-946-0505

Continuing Education Providers

Abe Lee Seminars	808-942-4472	Key Realty School LLC	800-472-3893
Akahi Real Estate Network LLC	808-331-2008	Lorman Business Center, Inc. dba Lorman Education Services	715-833-3940
American School of Real Estate Express, LLC	866-739-7277	McKissock, LP	800-328-2008
Carol Ball School of Real Estate	808-871-8807	OnCourse Learning Corporation dba Career WebSchool	800-532-7649
Carol M. Egan, Attorney at Law	808-222-9725	Pacific Real Estate Institute	808-524-1505
Charfen Institute dba Distressed Properties Institute, LLC	800-482-0335	Property Merchants, Inc. dba All Islands Real Estate School	808-564-5170
Coldwell Banker Pacific Properties Real Estate School	808-597-5550	ProSchools, Inc.	800-299-2207
Continuing Ed Express LLC	866-415-8521	Ralph Foulger's School of Real Estate	808-239-8881
Dower School of Real Estate	808-735-8838	Real Class, Inc.	808-981-0711
Eddie Flores Real Estate Continuing Education	808-951-9888	Realtors Association of Maui, Inc.	808-873-8585
Green Building LLC	808-873-2040	REMI School of Real Estate	808-230-8200
Hawaii Association of Realtors	808-733-7060	Russ Goode Seminars	808-597-1111
Hawaii Business Training	808-250-2384	Shari S. Motooka-Higa	808-457-0156
Hawaii CCIM Chapter	808-528-2246	The CE Shop, Inc.	888-827-0777
Hawaii Institute of Real Estate, LLC	808-589-0550	The International Association of Certified Home Inspectors (InterNACHI)	303-502-6214
Hawaii Island Realtors	808-935-0827	The Seminar Group	206-463-4400
Honolulu Board of Realtors	808-732-3000	TM Education Services	808-268-7473
Institute of Real Estate Management – Hawaii Chapter No. 34	808-536-4736	University of Hawaii Maui College - OCET Real Estate School	808-984-3231
Institute of Real Estate Management – National	312-329-6058	Vitousek Real Estate Schools, Inc.	808-946-0505
Investment Property Exchange Services, Inc.	808-387-4140	West Hawaii Association of Realtors	808-329-4874
Kauai Board of Realtors	808-245-4049		



State of Hawaii Real Estate Commission

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This material can be made available to individuals with special needs. Please call the Senior Real Estate Specialist at 586-2643 to submit your request.

State of Hawaii
Real Estate Commission
King Kalakaua Building
335 Merchant Street, Room 333
Honolulu, HI 96813

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2014 Real Estate Commission Meeting Schedule

Laws & Rules Review Committee – 9:00 a.m.
Condominium Review Committee –
Upon adjournment of the Laws & Rules Review
Committee Meeting
Education Review Committee – Upon adjournment of the
Condominium Review Committee Meeting

***Wednesday, November 12, 2014**
Wednesday, December 10, 2014

Real Estate Commission – 9:00 a.m.

Wednesday, November 26, 2014
Friday, December 19, 2014

*The November 12, 2014 meetings will be held at Grove Farm Building Conference Room, 3-1850 Kaunualii Highway, Lihue, Kauai, HI.

All meetings will be held in the Queen Liliuokalani Conference Room of the King Kalakaua Building, 335 Merchant Street, First Floor.

Meeting dates, locations and times are subject to change without notice. Please visit the Commission's website at www.hawaii.gov/hirec or call the Real Estate Commission Office at (808) 586-2643 to confirm the dates, times and locations of the meetings. This material can be made available to individuals with special needs. Please contact the Executive Officer at (808) 586-2643 to submit your request.