

**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: June 10, 2015

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

Place: Grove Farm Building, Conference Room  
3-1850 Kaunualii Highway  
Lihue, Kauai

Present: Rowena Cobb, Chair / Broker / Kauai Commissioner  
Aileen Wada, Vice Chair, Broker / Honolulu Commissioner  
Bruce Faulkner, Broker / Maui Commissioner  
Scott Arakaki, Public Member / Honolulu Commissioner  
Nikki Senter, Public Member / Honolulu Commissioner  
Laurie A. Lee, Broker / Honolulu Commissioner  
Scott Sherley, Broker / Hawaii Island Commissioner  
Aleta Klein, Broker / Honolulu Commissioner  
  
Neil K. Fujitani, Supervising Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Cynthia Yee, Senior Condominium Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary

Others: Karen Ono, Kauai Board of REALTORS®  
Lori Finch, Kauai Board of REALTORS®

Absent: Michael Pang, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 10:09 a.m., at which time quorum was established.

Chair's Report: The Chair stated the Committee may move into Executive Session to consider and evaluate personal information relating to individuals applying for licensure in accordance with section 92-5(a)(1), HRS, and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with section 92-5(a)(4), HRS.  
  
Commissioner Pang was excused from the meeting. Prior notification of his non-attendance was received.

Real Estate Specialist's Report: Minutes of Previous Meeting  
  
Upon a motion by Commissioner Faulkner, seconded by Commissioner Klein, it was voted on and unanimously carried to accept the minutes of the May 13, 2015, Education Review Committee meeting.

Continuing Education: Applications

**Provider – American CE Institute, LLC; Administrator – Michael L. Banner**

It was noted that the applicant is based out of Florida, but will be offering live classes in Hawaii.

Commissioner Klein questioned the State of Hawaii Bond for Prelicense Real Estate School and Continuing Education Providers. The Bond states in part "...American Institute CE, LLC of the County of Pinellas, State of Hawaii..." She requested that staff look into the correction of the county.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve American C.E. Institute, LLC, as a continuing education provider.

**Course – "The Purchase Reverse Mortgage"; Author/Owner: American CE Institute, LLC; Provider: American CE Institute, LLC (pending approval); Course Category: Finance; Clock Hours: 3**

It was noted that there is a need for the understanding of reverse mortgages. It was also noted when using acronyms, the meaning of the acronym should be spelled out at the first occurrence for a better understanding.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Sherley, it was voted on and unanimously carried to approve "The Purchase Reverse Mortgage" as a three credit hour continuing education elective course, under the course category: Finance.

**Course – "Understanding the Escrow Process in Real Estate"; Author/Owner: Celine P. Nelsen, Old Republic Title and Escrow Hawaii; Provider: Abe Lee Seminars; Course Categories: Property Ownership and Development, Other – Escrow and Title; Clock Hours: 3**

It was noted that there will be new rules relating to Escrow which will be in effect in August along with new acronyms which should also be included in the course material.

Upon a motion by Commissioner Klein, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Understanding the Escrow Process in Real Estate" as a three credit hour continuing education elective course, under the course categories: Property Ownership and Development, Other – Escrow and Title.

**Course – "Hawaii Economic and Real Estate Outlook 2015"; Authors/Owners: Eddie Flores, Elisia Flores, Bryan Andaya; Provider: Eddie Flores Real Estate Continuing Education; Course Category: Other – Economy and Housing Market; Clock Hours: 3**

Commissioners Arakaki and Senter recused themselves from discussion and voting due to a conflict of interest.

It was questioned whether this was a new course or a recertification of an older course.

Specialist Fujimura replied that the course application has come in as a new course with a different title, i.e., 2015. It is up to the provider to determine if the course is 75% similar to another course or not. Currently licensees cannot repeat a course for CE credit

Commissioner Cobb noted that she sees the value of repeating a course in a different biennium.

Specialist Fujimura responded that licensees can take multiple courses on the same topic, so long as the course has a different title.

Upon a motion by Commissioner Sherley, seconded by Commissioner Klein, it was voted on and carried to approve "Hawaii Economic and Real Estate Outlook 2015" as a three credit hour continuing education elective course, under the course category: Other – Economy and Housing Market. Commissioners Arakaki and Senter abstained.

**Course – "Contemporary Legal Issues in Hawaii Real Estate"; Author/Owner: James M.K. Stone, Jr.; Provider: Coldwell Banker Pacific Properties Real Estate School; Course Categories: Contracts, Real Estate Law, Risk Management; Clock Hours: 3**

Commissioner Klein noted that under Chapter IV, Three Key Risk Areas, end of the first "Class Discussion," she does not agree with the statement "agents should be familiar with the floor plans and standard configuration of the units within the project they are involved with and be alert to modifications from the norm". Commissioner Klein stated that the language in the class that advised agents to be familiar with all floor plans in a building is ill advised because it may set a standard of practice which is unrealistic and the material is often unobtainable.

Commissioner Wada noted that the language says "should" and not "must." Licensees should be familiar with the property.

Commissioner Arakaki noted that this is a real issue, and to avoid litigation, licensees should make themselves familiar with the floor plans and configuration of the units.

Upon a motion by Commissioner Faulkner, seconded by Commissioner Wada, it was voted on and unanimously carried to approve "Contemporary Legal Issues in Hawaii Real Estate" as a three credit hour continuing education elective course, under the course categories: Contracts, Real Estate Law, Risk Management.

#### Evaluation and Education Program

It was noted that 75% of licensees complete the CE Core course in a live format. During crunch time immediately prior to the renewal, most licensees take their course online.

Commissioners are encouraged to monitor CE courses and provide their evaluations to the committee. If a Commission member is interested in monitoring a course, please contact staff. Staff will look into monitoring of online courses also.

Chair Cobb encouraged all Commissioners to monitor at least one CE online course and provide the evaluation prior to the September Committee meetings

Prelicensure Education: Evaluation and Education Program

Copies of evaluations of the independent study course from the following prelicense school was distributed to the Commissioners for their information:

- ContinuingEdExpress (5)

Administration of  
Examinations:

PSI

**Licensing Examination Statistics – May 2015**

Examination statistics for May 2015 were distributed to the Commissioners for their information.

**School Pass/Fail Rates – May 2015**

School pass/fail rate statistics for May 2015 were distributed to the Commissioners for their information.

**School Summary by Test Category – May 2015**

Copies of the May 2015 test category summary reports, by school, were distributed to the Commissioners for their information.

Commissioner Faulkner requested pass/fail rates of students who completed their prelicense course online vs. live.

Educator's Forum:

**Hawaii Association of REALTORS®** – No discussion presented.

**Public and Private Institutions of Higher Education** – No discussion presented.

Program of Work:

Annual Report, Quarterly Bulletin, and School Files

Senior Specialist Fujimura reported that the June/July 2015 *School Files* has been mailed.

Specialist Fujimura announced that staff issued a request for solicitation through the State Procurement's HlePRO system on May 18, 2015 for the printing of the Real Estate Commission Bulletin. Offer due date was June 1, 2015. The solicitation was sent to 24 vendors.

Only 1 response was received by the due date. Valenti Brothers Graphics, the Commission's current vendor was the only response received. Valenti's quote has not increased from the current biennium. Staff has had a good experience with the vendor.

Upon a motion by Commissioner Faulkner, seconded by Commissioner Klein, it was voted on and unanimously carried to award the printing and mailing of the Real Estate Commission Bulletin for a total of 8 issues for the period July 1, 2015 to June 30, 2017 to Valenti Brothers Graphics for an amount up to \$69,880.

Ad Hoc Committee on Education (ACE)

The committee acknowledged the receipt of the report of the May 21, 2015 meeting of the Ad Hoc Committee on Education.

Executive Session: Upon a motion by Commissioner Arakaki, seconded by Commissioner Faulkner, it was voted on and unanimously carried to enter into executive session pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information, relating to individuals applying for professional or vocational licenses cited in section 26-9 or both;" and 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 Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to move out of executive session.

After a review of the Hawaii Real Estate Commission 2015-2016 Core Course – Part A course materials submitted, Commissioner Klein moved to approve the course, Commissioner Sherley seconded the motion. The motion was voted on and unanimously carried.

Budget and Finance Report: Real Estate Education Fund

No report presented.

Next Meeting: Wednesday, July 8, 2015  
Upon adjournment of the Condominium Review Committee Meeting, which is 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, First Floor  
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Sherley adjourned the meeting at 11:18 a.m.

Reviewed and approved by:

/s/ Diane Choy Fujimura

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Diane Choy Fujimura  
Senior Real Estate Specialist

July 8, 2015

\_\_\_\_\_  
Date

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