

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: July 12, 2017

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

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

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 – departed at 10:30 a.m.
Laurie A. Lee, Broker / Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner
Aleta Klein, Broker / Honolulu Commissioner
Sean Ginoza, Broker / Hawaii Island Commissioner

Neil K. Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David J. Grupen, Real Estate Specialist
Carole Richelieu, Senior Condominium Specialist
Benedyne Stone, Condominium Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Dorothy Aquino, Recording Secretary

Others: Marsha Shimizu, Hawaii Association of Realtors®
Daria Loy-Goto, Regulated Industries Complaints Office
John T. Hassler, Regulated Industries Complaints Office

Absent: None

Call to Order: The Chair called the meeting to order at 10:02 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.

Real Estate Specialist's Report: Additional Distribution

The following was distributed as additional distribution:

7. Program of Work, FY17
 - b. Real Estate Seminars and Instructors Development Workshop – Request for Quotations – closed 7/7/17, Quote from Hawaii Association of REALTORS®

Minutes of Previous Meeting

Upon a motion by Commissioner Faulkner, seconded by Commissioner Wada, it was voted on and unanimously carried to accept the minutes of the June 14, 2017, Education Review Committee meeting.

Continuing Education: Administrative Issues

2017-2018 Continuing Education Providers and Courses Ratification List

Upon a motion by Commission Faulkner, seconded by Commissioner Klein, it was voted on and unanimously carried to ratify the following:

<u>Registration/Certification</u>	<u>Effective Date</u>
Course(s)	
"CRS 103 Mastering Your Time to Achieve Your Goals" CEC/National, Council of Residential Specialists (8 credits)	05/30/2017
"CRS 120 Converting Leads Into Closings" CEC/National, Council of Residential Specialists (8 credits)	05/30/2017
"CRS 121 Win-Win Negotiating Techniques" CEC/National, Council of Residential Specialists (8 credits)	05/30/2017
"CRS 122 Building A Team to Grow Your Business" CEC/National, Council of Residential Specialists (8 credits)	05/30/2017
"CRS 123 Mastering Relevant, Consumer-Focused Marketing" CEC/National, Council of Residential Specialists (8 credits)	05/30/2017
"CRS 124 Turning New Homes Into Ongoing Revenue" CEC/National, Council of Residential Specialists (8 credits)	05/30/2017
"CRS 125 Zero to 60 Home Sales A Year (and Beyond)" CEC/National, Council of Residential Specialists (8 credits)	05/30/2017

"CRS 126 7 Things Successful Agents Do Differently: A Proven Business System" CEC/National, Council of Residential Specialists (8 credits)	05/30/2017
"CRS 200 Business Planning and Marketing for the Residential Specialist" CEC/National, Council of Residential Specialists (15 credits)	05/30/2017
"CRS 201 Listing Strategies for the Residential Specialist" CEC/National, Council of Residential Specialists (15 credits)	05/30/2017
"CRS 202 Effective Buyer Sales Strategies" CEC/National, Council of Residential Specialists (15 credits)	05/30/2017
"CRS 204 Buying and Selling Income Properties" CEC/National, Council of Residential Specialists (15 credits)	05/30/2017
"CRS 205 Financing Solutions to Close the Deal" CEC/National, Council of Residential Specialists (15 credits)	05/30/2017
"CRS 206 Technologies to Advance Your Business" CEC/National, Council of Residential Specialists (15 credits)	05/30/2017
"CRS 210 Building An Exceptional Customer Service Referral Business" CEC/National, Council of Residential Specialists (15 credits)	05/30/2017
"Real Estate Photography for Listing Agents", ARELLO, Continuing Ed Express, LLC (3 credits)	06/16/2017

Assurance of Voluntary Compliance ("AVC") – 1628 Business, Ltd., dba Eddie Flores Real Estate Continuing Education

Upon a motion by Commissioner Pang, seconded by Commissioner Lee, 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 Klein, seconded by Commissioner Arakaki, it was voted on and unanimously carried to move out of executive session.

Daria Loy-Goto and John Hassler were present to answer any questions the committee may have regarding the Assurance of Voluntary Compliance ("AVC").

Commissioner Cobb informed Ms..Loy-Goto and Mr.Hassler the committee is hearing of the AVC for the first time.

Commissioner Senter stated that the committee needs to be educated on the AVC and when it may be utilized. Is there a checklist that may determine the use of the AVC?

Ms. Loy-Goto stated that RICO publishes a quarterly list of unlicensed activity cases, which includes AVCs. The AVC reporting only began being reported in 2017. The respondent is made aware of the applicable law violation(s) and states they will comply with these laws in the future. Mr. Hassler added that the respondent may enter into either a consent judgment, a settlement agreement, which stipulates that the jurisdiction is with the specific board, or an AVC. He also stated that the Commission's jurisdiction over unlicensed cases may be questionable. Each case is reviewed and evaluated regarding use of an AVC. Factors that enter in when deciding whether to use an AVC include the caseload of the attorney, negotiations with the respondent, and information obtained during an investigation.

Mr. Hassler said the main issue is, "If the respondent is not a licensee, what authority does the Commission have over the respondent?" If the respondent failed to renew his license, then the bottom line is that the respondent is not a licensee. With a settlement agreement, the respondent will waive certain rights, and agree that the Commission has authority over him/her.

Commissioner Pang asked if an AVC is like reactivating a license.

Ms. Loy-Goto stated that in most cases, the respondent has already renewed the license.

Commissioner Klein commented that the respondent is non-compliant, but may restore his/her license.

Mr. Hassler stated that the law isn't clear, the licensee is in limbo if timely renewal or reregistration or restoration has not taken place.

Commissioner Faulkner asked if a respondent may request an AVC. Ms. Loy-Goto responded that the request may be made, but it is up to the RICO staff attorney as to how to proceed.

Commissioner Pang asked if the fine assessed in an AVC is considered a disciplinary action? Should it be disclosed on a renewal application or within 30 days of its occurrence?

Ms. Loy-Goto responded that an AVC is disclosable, and will remain a RICO record for 5 years from the date of compliance, like other RICO disciplinary actions.

Upon a motion by Commissioner Klein, seconded by Commissioner Arakaki, 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 Klein, seconded by Commissioner Wada, it was voted on and unanimously carried to move out of executive session.

SEO Fujitani will discuss the AVC further with PVL. PVL will convey its concerns to RICO and the Commission and REB will be apprised of the results.

Applications

Course – "Evolution of Land Ownership in Hawaii"; Author/Owner: Suzette Nasser; Course Category: Other – Hawaii land history; Clock Hours: 3

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Evolution of Land Ownership in Hawaii" as a 3-credit hour continuing education course, under the course categories Other – Hawaii land history.

Course – "Is That Really a Service Dog?"; Author/Owner: Scott Sherley; Provider: Course Categories: Real Estate Law, Property Management, Risk Management; Clock Hours: 3

Upon a motion by Commissioner Wada, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Is That Really a Service Dog" as a 3-credit hour continuing education course, under the course categories Real Estate Law, Property Management, Risk Management.

Administration of
Examinations:

PSI

Licensing Examination Statistics – June 2017

Examination statistics for June 2017 were distributed to the Commissioners for their information.

School Pass/Fail Rates – June 2017

School pass/fail rate statistics for June 2017 were distributed to the Commissioners for their information.

School Summary by Test Category – June 2017

Copies of the June 2017 test category summary reports, by school, were distributed to the Commissioners for their information.

Program of Work:

Report on Specialists' Office for the Day meeting held in Kona, West Hawaii Association of REALTORS®, was distributed.

Real Estate Seminars and Instructors Development Workshop - one bid was received in response to the solicitation. Marsha Shimizu, Hawaii Association of REALTORS®, was present to answer any questions. Ms. Shimizu stated that instead of a live real estate seminar format, a video format will be more effective and will be accessible to more licensees. For the IDW segment of the contract, HAR proposes to create an online alternative working with Beth Holiday.

Ms. Holiday has previously presented an IDW that was well-received. Her course, Teaching Trainers to Train, will be the basis for a video that may be used for an IDW.

Upon a motion by Commissioner Klein, seconded by Commissioner Lee, it was voted on and unanimously carried to award the contract for "Hawaii Real Estate Commission Instructor Development Workshop and Real Estate Education" to the Hawaii Association of REALTORS®.

Next Meeting: Wednesday, August 9, 2017
 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 Cobb adjourned the meeting at
 11:19 a.m.

Reviewed and approved by:

/s/Diane Choy Fujimura

Diane Choy Fujimura
Senior Real Estate Specialist

July 27, 2017

Date

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