

**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: July 10, 2013

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: Walter Harvey, Chair / Broker / Honolulu Commissioner  
Aileen Wada, Vice Chair / Broker / Honolulu Commissioner  
Bruce Faulkner, Broker / Maui Commissioner  
Scott Arakaki, Public Member / Honolulu  
Rowena Cobb, Broker / Kauai (late arrival)  
Nikki T. Senter, Public / Honolulu Commissioner  
Scott A. Sherley, Broker / Hawaii Island Commissioner  
Laurie Lee, Broker / Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer  
Miles Ino, Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Amy Endo, Real Estate Specialist  
David Grupen, Real Estate Specialist  
Benedyne Stone, Condominium Specialist  
Cynthia Yee, Senior Condominium Specialist  
Shari Wong, Deputy Attorney General  
Amy Fujioka, Recording Secretary

Others: Aron Espinueva, Hawaii Association of REALTORS®  
Marsha Shimizu, Hawaii Association of REALTORS®  
Beth Holiday, Hawaii Business Training  
John Dotten, Lowell D. Funk, Inc.

Absent: Frances Gendrano, Broker/Honolulu

Call to Order: The Chair called the meeting to order at 9:25 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 Gendrano was excused from the meeting. Prior notification of her non-attendance was received.

Real Estate  
Specialist's Report: Minutes of Previous Meeting

Upon a motion by Commissioner Sherley, seconded by Commissioner Arakaki, it was voted on and unanimously carried to accept the minutes of the June 12, 2013 Education Review Committee meeting.

Continuing Education: Applications

**2013-2014 Continuing Education Providers and Courses Ratification List**

Upon a motion by Commissioner Sherley, seconded by Commissioner Arakaki, it was voted on and unanimously carried to ratify the following list:

<u>Registration/Certification</u>	<u>Effective Date</u>
<b>Course(s)</b>	
"CRS 200 Business Planning & Marketing for the Residential Specialist" (12 credits) (National/Hawaii Association of Realtors)	June 4, 2013
"Valuation of Commercial Property" (3 credits) (ARELLO/REMI School of Real Estate)	June 6, 2013
"BPO and CMA: How to Value Residential Property" (3 credits) (ARELLO/REMI School of Real Estate)	June 6, 2013
"Commercial Sales 101: Getting Started" (3 credits) (ARELLO/REMI School of Real Estate)	June 6, 2013
"Real Estate Math Made Easy" (3 credits) (ARELLO/REMI School of Real Estate)	June 6, 2013
"Property Management: How to Reduce Risk" (3 credits) (ARELLO/REMI School of Real Estate)	June 6, 2013
"RICO Violations: A Risk Management Approach" (3 credits) (James M.K. Stone, Jr./Coldwell Banker Pacific Properties Real Estate School)	June 12, 2013
"Rehab Loans Made Easy" (Homestreet Bank/Shari Motooka-Higa)	June 12, 2013
"CIPS The Americas and International Real Estate" (3 credits) (National/Hawaii Association of Realtors)	June 20, 2013
"CIPS Asia/Pacific and International Real Estate" (3 credits) (National/Hawaii Association of Realtors)	June 20, 2013
"CIPS Europe and International Real Estate" (3 credits) (National/Hawaii Association of Realtors)	June 20, 2013
"CIPS Global Real Estate Local Markets" (3 credits) (National/Hawaii Association of Realtors)	June 20, 2013
"CIPS Global Real Estate Transaction Tools" (3 credits) (National/Hawaii Association of Realtors)	June 20, 2013

Chair Harvey skipped agenda items 4.b.2) , 4.b.3). and 4.b.4), as Mr. John Dotten, the author of the courses, had not yet arrived.

**Course – “Title Insurance – What, Why & How”; Author/Owner: Suzette Nasser; Provider: TBD; Course Category: Property Ownership and Development; Clock Hours: 3**

Commissioner Wada commented that she previously has taken courses from this author and they were very good.

Upon a motion by Commissioner Wada, seconded by Commissioner Sherley, it was voted on and unanimously carried to take the matter under advisement.

**Course – “Raising Standards in Seller Representation: Listing Consultation”; Author/Owner: Beth Holiday; Provider: Waiwai Nui Inc. dba Hawaii Business Training; Course Categories: Risk Management, Other: Increasing licensee’s professionalism with sellers; Clock Hours: 3**

Ms. Beth Holiday was present to answer any questions from the committee. Ms. Holiday stated that the course covers what sellers want to know before listing their properties.

Chair Harvey questioned Ms. Holiday whether the course materials submitted was the final product as the materials contained many typos, misspellings, wrong words and grammatical errors.

Ms. Holiday responded that there was not enough time to have her assistant proofread the documents before submission of the course and that she will have all errors corrected. Ms. Holiday commented that this was the final content, but not the final product.

Upon a motion by Commissioner Sherley, seconded by Commissioner Wada, it was voted on and unanimously carried to take the matter under advisement.

#### Continuing Education Core Course

Senior Specialist Fujimura reported that the Core Course Part A, “2013 Real Estate-Related Legislation” and “Brokerage Policies & Procedures Manual” is completed and needs to be approved.

Commissioner Sherley moved to accept the final version of the Core Course Part A. Commissioner Arakaki seconded the motion. The motion was voted on and unanimously carried.

**Course – “Condominium Finance & Budget”; Author/Owner: John Dotten; Provider: Dower School of Real Estate; Course Categories: Investment, Real Estate Law, Property Management, Finance, Property Ownership and Development; Clock Hours: 3**

**Course – “Condominium Reserving: When and For How Much?”; Author/Owner: John Dotten; Provider: Dower School of Real Estate; Course Categories: Real Estate Law, Property Management, Finance, Property Ownership and Development; Clock Hours: 3**

Mr. John Dotten was present to answer any questions from the committee regarding his courses. These two courses were discussed together as the subject matter appeared to flow together as a possible single course.

Mr. Dotten commented that he has been managing condos for over 20 years. He explained that agents receive disclosures of financial statements and budgets, however, they do not understand or communicate the information to buyers. These courses would address the review of financial statements and how a budget is developed for an association.

Commissioner Senter commented that the outline provided does not address statutory requirements for condominium reserves. She questioned the intent of the courses.

Mr. Dotten responded that the two courses address separate issues –

- 1) financials and budgets (where the money is going)
- 2) reserves (where money goes beyond that)

An agent should be able to answer any questions buyers may have.

Commissioner Wada stated that the flow would be better if the two courses were together. She further stated she was not sure if an agent would understand the course materials if only one course was taken, and not the other.

Mr. Dotten remarked that he was afraid the course may be overwhelming if it was presented in one longer course. He further commented that it was intended to be an A & B course, but it may “bury people”. The main intent is for licensees to gain an initial exposure to the topics, and then ask questions about them.

Commissioner Wada asked if it is possible to do an introductory course and also offer a more sophisticated course later.

Commissioner Senter stated the courses go hand-in-hand with each other and are related, and, therefore, may be combined into one course. The materials should be simplified as there is no need to go into detail about reserves for the average real estate licensee. It is more important to relate the information on budget and reserves to the applicable condominium laws.

Commissioner Senter commented that explaining how an expense becomes part of maintenance fees and how the overall budget impacts a buyer would be interesting and relevant to licensees and should be part of a course.

Mr. Dotten referred to the section on budgets which also explains what a maintenance fee is.

Senior Condominium Specialist Yee questioned what the learning objectives are for the two courses.

Mr. Dotten replied that the courses cover budgeting and reserves. He will also discuss putting together a financial statement and operating budget.

Commissioner Harvey expressed his concern whether it is a licensee’s responsibility if a buyer does not understand the terms in the disclosures. The content of the two courses appears to place a higher degree of responsibility on the licensee to dig into the budget and reserves. What happens if the licensee “misses something”? There must be strong caveats included for the licensee to suggest that the buyer seek the advice of the appropriate expert.

Upon a motion by Commissioner Wada, seconded by Commissioner Faulkner, it was voted on and unanimously carried to take the matter under advisement.

**Course – “Understanding Condo Docs”; Author/Owner: John Dotten: Provider: Dower School of Real Estate; Course Categories: Contracts, Real Estate Law, Property Management, Property Ownership and Development, Risk Management; Clock Hours: 3**

Mr. John Dotten was present to answer any questions from the committee regarding his course.

Mr. Dotten commented that it is important for both the buyer and real estate licensee to look at condo documents. The course offers an overview of condominium documents and discusses the responsibilities of the associations and board of a condominium.

Commissioner Senter expressed her concern that terms and definitions of terms are incorrectly used or understood. Terms used should be those in Hawaii statutes. The statement that documents may be modified is too sweeping a statement. It needs to be tied in with the statutory requirements.

Senior Specialist Yee commented that the course should explore HRS 514A and 514B and the different documents required by each.

Real estate licensees need to be educated on the basics of condominium documents.

The “Condominium Reserve Reference Manual” on the Real Estate Commission website would serve as a good reference for a course.

Upon a motion by Commissioner Faulkner, seconded by Commissioner Senter, it was voted on and unanimously carried to take the matter under advisement.

Prelicense Education: Evaluation and Education Program

Copies of evaluations of the independent study course from Abe Lee Seminars (6) were distributed to the Commissioners for their information:

Administration of Examinations: PSI

**Licensing Examination Statistics – June 2013**

Examination statistics for June 2013 were distributed to the Commissioners for their information.

**School Pass/Fail Rates – June 2013**

School pass/fail rate statistics for June 2013 were distributed to the Commissioners for their information.

**School Summary by Test Category – June 2013**

Copies of the June 2013 test category summary reports, by school, were distributed to the Commissioners for their information.

Program of Work: Annual Report, Quarterly Bulletin, and School Files

Senior Specialist Fujimura reported that the July 2013 issue of School Files will be distributed shortly and the electronic version will be available on the Commission's website: [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec).

Ad Hoc Committee on Education (ACE)

The Ad Hoc Committee on Education will be working on the 2013-2014 Core B Course.

Commissioner Cobb arrived at 10:12 a.m.

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

Continuing Education: Applications

**Course – "Condominium Finance & Budget"; Author/Owner: John Dotten; Provider: Dower School of Real Estate; Course Categories: Investment, Real Estate Law, Property Management, Finance, Property Ownership and Development; Clock Hours: 3**

**Course – "Condominium Reserving: When and For How Much?"; Author/Owner: John Dotten; Provider: Dower School of Real Estate; Course Categories: Real Estate Law, Property Management, Finance, Property Ownership and Development; Clock Hours: 3**

Commissioner Wada moved to deny "Condominium Finance & Budget" and "Condominium Reserving: When and For How Much" as real estate continuing education elective courses. Commissioner Arakaki seconded the motion. The motion was voted on and unanimously carried.

**Course – "Understanding Condo Docs"; Author/Owner: John Dotten; Provider: Dower School of Real Estate; Course Categories: Contracts, Real Estate Law, Property Management, Property Ownership and Development, Risk Management; Clock Hours: 3**

Commissioner Senter moved to deny "Understanding Condo Docs" as a real estate continuing education elective course. Commissioner Sherley seconded the motion. The motion was voted on and unanimously carried.

**Course – "Title Insurance – What, Why & How"; Author/Owner: Suzette Nasser; Provider: TBD; Course Category: Property Ownership and Development; Clock Hours: 3**

Upon a motion by Commissioner Wada, seconded by Commissioner Sherley, it was voted and unanimously carried to approve "Title Insurance – What, Why & How" as a three hour continuing education elective course, under the course category, Property Ownership and Development.

**Course – “Raising Standards in Seller Representation: Listing Consultation”;  
Author/Owner: Beth Holiday; Provider: Waiwai Nui Inc. dba Hawaii Business  
Training; Course Categories: Risk Management, Other: Increasing licensee’s  
professionalism with sellers; Clock Hours: 3**

Commissioner Sherley moved to approve “Raising Standards in Seller Representation: Listing Consultation” as a three hour continuing education elective course, under the course categories: Risk Management, Other: Increasing licensee’s professionalism with sellers, subject to receipt of course material corrections and review by staff. Commissioner Faulkner seconded the motion. The motion was voted on and unanimously carried.

Next Meeting: Wednesday, August 7, 2013  
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.  
King Kalakaua Building  
Queen Liliuokalani Conference Room, 1<sup>st</sup> Floor  
335 Merchant Street  
Honolulu, Hawaii 96813

Adjournment: With no further business to discuss, Chair Harvey adjourned the meeting at 10:36 a.m.

Reviewed and approved by:

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

July 15, 2013  
Date

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