

**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: November 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 9:00 a.m.

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

Present: Rowena Cobb, Chair / Broker / Kauai Commissioner  
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  
Michael Pang, Broker / Honolulu Commissioner – late arrival  
Aleta Klein, Broker / Honolulu Commissioner

Neil K. Fujitani, Supervising Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Amy Endo, Real Estate Specialist  
Cynthia Yee, Senior Condominium Specialist  
Benedyne Stone, Condominium Specialist  
Dathan Choy, Condominium Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary  
Ruth Yamada, Office Assistant

Others: John Dotten

Absent: Aileen Wada, Vice Chair, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 11:18 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 Wada was excused from the meeting. Prior notification of her non-attendance was received.

Real Estate Specialist's Report: Minutes of Previous Meeting

Commissioner Senter noted a correction to page 3 of the draft minutes.

Upon a motion by Commissioner Faulkner, seconded by Commissioner Sherley, it was voted on and unanimously carried to accept the minutes of the October 7, 2015, Education Review Committee meeting.

Continuing Education: Administrative Issues

**2015-2016 Continuing Education Providers and Courses Ratification List**

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

<u>Registration/Certification</u>	<u>Effective Date</u>
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**Course(s)**

"Advanced Issues in Commercial Real Estate Sales (3 credits) and Leasing" (Gino L. Gabrio, Esq.)	09/25/2015
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"Commercial Real Estate Transactions" (3 credits) (Gino L. Gabrio, Esq.)	09/25/2015
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Applications

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

**Course – "Homeowner's Insurance Basics for Real Estate Professionals"; Author/Owner: John Dotten; Provider: Dower School of Real Estate; Course Categories: Property Management, Finance, Property Ownership and Development, Risk Management; Clock Hours: 3 (Deferred from 7/8/15 ERC meeting, referred to ACE for further review, ERC 10/7/15)**

Mr. Dotten was present to answer any questions. Mr. Dotten distributed a copy of a handout created by Professor Paul Deering entitled "Planning – Teaching – Assessment" which Mr. Dotten stated has been integrated into his course submissions.

Chair Cobb questioned if Dower School of Real Estate, as noted on the course applications, is the Provider.

Mr. Dotten responded that when he originally started working on the course in 2013 he spoke to Dower, but has not spoken to them since. He also noted that he spoke to Russ Goode as a possible provider.

Chair Cobb noted that the Provider listed on the application is ultimately responsible for the course and instructors teaching for the provider.

The committee, at its October meeting, recommended the course "Homeowner's Insurance Basics for Real Estate Professionals" be reviewed by the Committee's Ad Hoc Committee on Education (ACE). ACE has reviewed the course submittal and has provided the following comments:

- The course is poorly organized with unclear course objectives, and based on the objectives stated, the actual course materials did not follow the stated objectives. Objectives were randomly arranged and not addressed in the text when stated. The materials are difficult to understand as they are not well-organized.
- The course material, while at times interesting, is of limited value to real estate licensees, as they should not be stating these insurance details to their clients. While homeowners may benefit from the information in the course, the source of information should be from licensed insurance agents. Much of the information is beyond the scope of expertise of the real estate licensee. The course appears to be more for insurance agents.
- The course does not discuss ocean-front properties, an important component of Hawaii real estate. The theories presented are too much for a real estate agent's basic knowledge.
- The information is not accurate or consistent. Definitions and terminology do not meet industry standards. For example, the definition of "adjuster" is presented in an "off-the-cuff" manner, and is not a bona fide definition. The National Flood Insurance Program ("NFIP") is discussed. However the NFIP is not within the purview of the insurance industry. It falls under the Department of Land and Natural Resources.

The recommendation by ACE is that the course is not appropriate for real estate continuing education.

Upon a motion by Commissioner Klein, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the review and recommendations submitted by ACE and deny the continuing education elective course entitled "Homeowner's Insurance Basics for Real Estate Professionals" by author/owner John Dotten.

**Course – "Red Flags to Look For in Condo Documents"; 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 (Referred to ACE for further review, ERC 10/7/15)**

The committee, at its October meeting, recommended the course "Red Flags to Look For in Condo Documents" be reviewed by the Committee's Ad Hoc Committee on Education (ACE). ACE has reviewed the course submittal and has provided the following comments:

- The course objectives were not clearly stated. The course materials need to be better organized as they are hard to understand and follow. The course materials were garbled and rambling and had no cohesive structure.
- Some of the material is too technical and legalistic for most real estate licensees, and some of the included material is irrelevant. There is too much discussion on legal concepts which are beyond the scope of the real estate licensee's expertise.
- The course materials would be better organized by grouping the different condo-related documents by categories: Developer, AOJO, Third-Party (e.g. litigants). A good presentation outline could follow the organization of the condo-s By-laws.
- In its present form, the course is of limited value.

The recommendation by ACE is that the course is not appropriate for real estate continuing education.

Upon a motion by Commissioner Klein, seconded by Commissioner Senter, it was voted on and unanimously carried to accept the review and recommendations submitted by ACE and deny the continuing education elective course entitled "Red Flags to Look For in Condo Documents" by author/owner John Dotten.

**Course – "Estate Planning for Real Estate Professionals"; Author/Owner: Bryan Andaya; Provider: Eddie Flores Real Estate Continuing Education; Course Category: Other – Estate Planning; Clock Hours: 3**

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

Upon a motion by Commissioner Lee, seconded by Commissioner Sherley, it was voted on and unanimously carried to approve "Estate Planning for Real Estate Professionals" as a three credit hour continuing education course, under the course category Other – Estate Planning.

**Course – "Apply ICE: Building Your Business with the Incredible Customer Experience;" Author/Owner: Karel Murray, CSP, DREI; Provider: Real Class, Inc.; Course Categories: Risk Management, Other – Customer and Client Service; Clock Hours: 3**

Commissioner Sherley recused himself from discussion and voting due to a conflict of interest.

Upon a motion by Commissioner Klein, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Apply ICE: Building Your Business with the Incredible Customer Experience" as a three credit hour continuing education course, under the course categories Risk Management, Other – Customer and Client Service.

**Course – "Character Counts . . . Doesn't It?"; Author/Owner: Karel Murray, CSP, DREI; Provider: Real Class, Inc. ; Course Categories: Risk Management, Broker Management; Clock Hours: 4**

Commissioner Sherley recused himself from discussion and voting due to a conflict of interest.

Upon a motion by Commissioner Lee, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Character Counts . . . Doesn't It?" as a four credit hour continuing education course, under the course categories Risk Management and Broker Management.

Commissioner Pang arrived at 11:58 a.m.

**Course – "Contracts, Lawyers and REALTORS®, Oh My!"; Author/Owner: Karel Murray, CSP, DREI; Provider: Real Class, Inc.; Course Categories: Contracts, Risk Management; Clock Hours: 3**

Commissioner Sherley recused himself from discussion and voting due to a conflict of interest.

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Contracts, Lawyers and REALTORS®, Oh My!" as a three credit hour continuing education course, under the course categories Contracts and Risk Management.

**Course – "Preserving Dignity: Fair Housing"; Author/Owner: Karel Murray, CSP, DREI; Provider: Real Class, Inc.; Course Categories: Broker Management, Risk Management; Clock Hours: 3**

Commissioner Sherley recused himself from discussion and voting due to a conflict of interest.

Upon a motion by Commissioner Lee, seconded by Commissioner Klein, it was voted on and unanimously carried to approve "Preserving Dignity: Fair Housing" as a three credit hour continuing education course, under the course categories Broker Management and Risk Management.

**Course – "Public Trust: Does It Include You?"; Author/Owner: Karel Murray, CSP, DREI; Provider: Real Class, Inc.; Course Categories: Risk Management; Clock Hours: 3**

Commissioner Sherley recused himself from discussion and voting due to a conflict of interest.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Public Trust: Does It Include You?" as a three credit hour continuing education course, under the course category Risk Management.

**Course – "Risk Management"; Author/Owner: Karel Murray, CSP, DREI; Provider: Real Class, Inc.; Course Categories: Risk Management; Clock Hours: 3**

Commissioner Sherley recused himself from discussion and voting due to a conflict of interest.

Upon a motion by Commissioner Pang, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Risk Management" as a three credit hour continuing education course, under the course category Risk Management.

**Course – "Client Protection Via Real Estate Best Practices"; Author/owner: Celine Nelsen; Provider: Abe Lee Seminars; Course Categories: Dispute Resolution, Risk Management; Clock Hours: 3**

After a review of the information provided, Commissioners noted that there was a need for a more detailed narrative of the topics included in the course outline; the behavior charts were interesting but not on point and suggest elaborating and explaining the inclusion of "Reading Behaviors Drill" and how the "Overview of the Social Styles" Model relates to licensee accountability.

Upon a motion by Commissioner Senter, seconded by Commissioner Arakaki, it was voted on and unanimously carried to defer the course "Client Protection Via Real Estate Best Practices."

Prelicense 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:

- Continuing Ed Express (3)

Administration of Examinations:

PSI

**Licensing Examination Statistics – October 2015**

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

**School Pass/Fail Rates – October 2015**

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

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

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

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 November 2015 *Bulletin* will be distributed shortly and a copy will be made available on the Commission's website: [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec).

Ad Hoc Committee on Education (ACE)

The Committee acknowledged receipt of the report from the Ad Hoc Committee on Education's meeting of October 27, 2015.

Budget and Finance     Real Estate Education Fund  
Report:

No report presented.

Next Meeting:            Wednesday, December 2, 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  
                                 12:05 p.m.

Reviewed and approved by:

/s/ Diane Choy Fujimura

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Diane Choy Fujimura  
Senior Real Estate Specialist

November 12, 2015

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Date

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