

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: April 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
Laurie A. Lee, 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: Kamalani Rodrigues, Honolulu Board of Realtors®
Jan Kae'o, Carnegie Training
Keoni Ball, Ball School of Real Estate

Excused: Michael Pang, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 10:07 a.m., at which time quorum was established.

Chair's Report: No report presented.

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:

Additional Distribution

The following was distributed as additional distribution:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
 - b. Applications
 - 1) Course - "Fair Housing: Making Dreams Come True"; Author/Owner: Office of Housing and Community Development, etal.; Provider: Hawaii Island REALTORS®; Course Categories: Real Estate Law, Dispute Resolution, Property Management, Property Ownership and Development, Risk Management, Broker Management; Clock Hours: 3

Minutes of Previous Meeting

Upon a motion by Commissioner Klein, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the minutes of the March 8, 2017, Education Review Committee meeting.

Continuing Education: Administrative Issues

2017-2018 Continuing Education Providers and Courses Ratification List

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

| <u>Registration/Certification</u> | <u>Effective Date</u> |
|---|-----------------------|
| Courses | |
| "The Americas and International Real Estate" (ARELLO/Hawaii Assoc of Realtors) (6 credits) | 02/17/2017 |
| "Europe and International Real Estate" (ARELLO/Hawaii Assoc of Realtors) (6 credits) | 02/17/2017 |
| "Asia/Pacific and International Real Estate" (ARELLO/Hawaii Assoc of Realtors) (6 credits) | 02/17/2017 |
| "Building An Exceptional Customer Service Referral Business" (National/Hawaii Assoc of Realtors) (6 credits) | 02/23/2017 |
| "Military & Veteran Housing Certification (MVHC) (CEC/USA Homeownership Foundation, Inc. dba VAREP) (7 credits) | 01/01/2017 |

| | |
|--|------------|
| "Basic Real Estate Finance" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Commercial Finance & Investment Analysis" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Commercial Leases" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Commercial Sales & Exchanges" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Cost Approach Overview" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Green Home Certification" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Income Capitalization Overview" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Methods of Residential Finance" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Sales Comparison Approach" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Tax Advantage of Home Ownership" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Tax Free Exchanges" (ARELLO/ProSchools, Inc) (6 credits) | 03/13/2017 |
| "Understanding Mold in the Restoration Industry (2017) (ARELLO/Servpro Industries) (3 credits) | 03/13/2017 |
| "NAR Green Day 1: Resource-Efficient Home: Retrofits Remodels, & New Home Const." (ARELLO/The CE Shop) (6 credits) | 03/14/2017 |
| "NAR Green Day 2: Representing Buyers and Sellers of Resource-Efficient Homes" (ARELLO/The CE Shop) (6 credits) | 03/14/2017 |
| "Marketing, Advertising, and Social Media Compliance" (ARELLO/The CE Shop) (3 credits) | 03/14/2017 |
| "The Secrets of Residential Investing" (ARELLO/McKissock LLC) (4 credits) | 03/14/2017 |
| "Maintenance: Basics and Beyond" (National/Hawaii Association of Realtors) (6 credits) | 03/16/2017 |
| "How is the Legalization of Marijuana Affecting the Real Estate Market?" (ARELLO/McKissock LLC) (3 credits) | 03/21/2017 |

| | |
|--|------------|
| "Developing Rewarding Owner Relationships (ARELLO/Hi Assoc of Realtors) (6 credits) | 03/28/2017 |
| "Essentials of Risk Management" (ARELLO/Hi Assoc of Realtors) (6 credits) | 03/28/2017 |
| "Global Real Estate: Local Markets" (ARELLO/Hi Assoc of Realtors) (6 credits) | 03/28/2017 |
| "Global Real Estate: Transaction Tools" (ARELLO/Hi Assoc of Realtors) (6 credits) | 03/28/2017 |

Applications

Course - "Fair Housing: Making Dreams Come True"; Author/Owner: Office of Housing and Community Development, etal.; Provider: Hawaii Island REALTORS®; Course Categories: Real Estate Law, Dispute Resolution, Property Management, Property Ownership and Development, Risk Management, Broker Management; Clock Hours: 3

Upon a motion by Commissioner Arakaki, seconded by Commissioner Wada, it was voted on and unanimously carried to approve "Fair Housing: Making Dreams Come True" as a 3 credit hour continuing education course, under the course categories – Real Estate Law, Dispute Resolution, Property Management, Property Ownership and Development, Risk Management, Broker Management and subject to submission of the answers to the quiz.

Provider – CMPS Institute, LLC; Administrator, Gibran Nicholas – Application and written response to 3/9/17 letter from D. Fujimura

In response to a letter from Nicholas Gibran, CMPS Institute, the Commissioners, clarified that the course applications were reviewed, and the review generated concerns about the courses being offered for "free". The Commissioners, also expressed continued concerns about possible RESPA violations on the part of Hawaii real estate licensees who attended these courses for free.

Upon motion by Commissioner Arakaki, Seconded by Commissioner Klein, it was voted on and unanimously carried to take the CMPS CE provider application and the three CE courses applications submitted by CMPS under advisement.

Course – "Mortgage Math Camp"; Author/Owner: CMPS Institute, LLC; Provider: CMPS Institute LLC; Course Category: Finance; Clock Hours: 3

Course – "Mortgage & Real Estate Taxation"; Author/Owner: CMPS Institute, LLC; Provider: CMPS Institute, LLC (pending); Course Categories: Real Estate Law, Finance; Clock Hours: 3

Course – "Cash Flow Planning for Real Estate Investors"; Author/Owner: CMPS Institute, LLC; Provider: CMPS Institute, LLC; Course Categories: Investment, Finance; Clock hours: 3

Course – "Dale Carnegie Course: Effective Communication & Human Relations/Skills for Success"; Author/Owner: I'MProving, LLC, Dale Carnegie Training Hawaii & Guam; Provider: Honolulu Board of REALTORS®; Course Category – Other-Negotiation and Building Trust; Clock Hours: 15

Kamalani Rodriguez, Honolulu Board of Realtors® and Jan Kae'o, President, I'MProving LLC, were present to answer questions and discuss the course application for "Dale Carnegie Course: Effective Communication & Human Relations/Skills for Success".

Ms. Rodriguez shared how the course focuses on communication. The course helps build solid relationships with other agents and clients. There are three modules which may be taken independently of each other. The modules address communication, negotiation, and how to make points clear to the other party.

Commissioner Arakaki inquired how does the course tie in with the real estate industry.

Ms. Kae'o replied there is one-on-one coaching, communication exercises, building business relationships, building trust, all which easily relate to the real estate industry.

She provided a real-life example of an attendee who was nervous, overly serious and uptight, and did not communicate well with others. After taking the course, her demeanor had completely transformed, she was confident, and could easily engage others in conversation. Students also gain effective listening skills, communicate at high levels, improve their personal appearance, and connect and build trust with others.

Commissioner Senter asked about the cost of the course. Ms. Rodriguez stated the course is actually 28 hours long, over an eight week period, and costs \$1800.00. HBR provides a \$100 member subsidy. There is an Employers Training Fund, under the State of Hawaii, which will also provide subsidies of \$800, which may be applied for.

HBR is pursuing a new strategy to train their licensee members to better prepare them for their real estate careers. They have identified certain education courses that must be completed within 6 months of becoming HBR members. As the current real estate market is very tight, licensees need to be able to communicate effectively with their clients, and close the transaction. HBR is seeking to elevate the educational level of their members, to encourage them to do more than the required 20 hours of continuing education. HBR regards the Dale Carnegie Course as an enhancement for those who want to stay in the industry long term.

Commissioner Senter asked who may apply for the scholarships from the Training Fund. Ms. Kae'o said anyone may apply for the scholarships.

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

Preliminary Education: Administrative Issues

2017 – 2018 Prelicensing Schools and Instructors Ratification List

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

Registration/Certification

Effective Date

Instructor(s)

M. Russell Goode, Jr.
Salesperson and Broker Curriculum

01/01/2017

Application

**School, Add Broker curriculum, Carol Ball School of Real Estate,
Carol Ball – Principal**

Mr. Keoni Ball was present. Mr. Ball informed the Commissioners the demand for a broker curriculum offered on Maui is high.

Mr. Ball stated materials they will use four (4) instruction manuals be offered with the class: 1) Real Estate Brokerage: A management Guide by Dearborn, 2) A workbook, and 3) A Real Estate practice book with quizzes.

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

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

Applications

Provider – CMPS Institute, LLC; Administrator, Gibran Nicholas

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

**Course – "Mortgage Math Camp"; Author/Owner: CMPS Institute, LLC;
Provider: CMPS Institute LLC; Course Category: Finance; Clock Hours: 3**

Course – "Mortgage & Real Estate Taxation"; Author/Owner: CMPS Institute, LLC; Provider: CMPS Institute, LLC (pending); Course Categories: Real Estate Law, Finance; Clock Hours: 3

Course – "Cash Flow Planning for Real Estate Investors"; Author/Owner: CMPS Institute, LLC; Provider: CMPS Institute, LLC; Course Categories: Investment, Finance; Clock hours: 3

Upon a motion by Commissioner Arakaki, seconded by Commissioner Klein, it was voted on and unanimously carried to approve the above courses as three credit hour continuing education courses, under the above course categories; subject to the following: 1) Removal of all CMPS reference and logos from the course materials

2) The Commission understands that a fee of \$30.00 per student for each of the approved continuing education courses, will be assessed, 3) Inclusion of disclaimer for all continuing education courses that attendees should seek the advice of a professional regarding the subject course information, that the course contains basic information on the subjects covered. When the revised course materials are submitted, the approvals will be finalized.

Course – "Dale Carnegie Course: Effective Communication & Human Relations/Skills for Success"; Author/Owner: I'MProving, LLC, Dale Carnegie Training Hawaii & Guam; Provider: Honolulu Board of REALTORS®; Course Category – Other-Negotiation and Building Trust; Clock Hours: 15

Upon a motion by Commissioner Arakaki, seconded by Commissioner Klein, it was voted on and unanimously carried to deny the certification of "Dale Carnegie Course: Effective Communication & Human Relations/Skills for Success" as a continuing education course. The course appears to fall under Hawaii Administrative Rules, §16-99-101(4), "Courses not acceptable for continuing education course certification". The Commission may not certify a continuing education course, or any portion thereof which: (4) Includes sales promotions or other meetings held in conjunction with general real estate brokerage activity....".

The Commission felt the Dale Carnegie course is a brand and generic, rather than specific and focused on real estate. Therefore, the course may be viewed by the Commission as an endorsement of a product.

School, Add Broker curriculum, Carol Ball School of Real Estate, Carol Ball – Principal

Upon a motion by Commissioner Arakaki, seconded by Commissioner Lee, it was voted on and unanimously carried to approve Carol Ball School of Real Estate as a real estate prelicense school for the broker curriculum.

Administration of
Examinations:

PSI

Licensing Examination Statistics – March 2017

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

School Pass/Fail Rates – March 2017

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

School Summary by Test Category – March 2017

Copies of the March 2017 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 April 2017 School Files was distributed and available for viewing on the Commission's website: www.hawaii.gov/hirec.

Ad Hoc Committee on Education (ACE) members

Carol Ball (Maui), Kenneth Chong, Donna Apisa (Kauai), Patti Hokama, Aleta Klein, Trudy Nishihara

Upon a motion by Commissioner Wada seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve Ad Hoc Committee on Education (ACE) current members.

Instructor's Development Workshop – REEA Conference IDWs

Upon a motion by Commissioner Klein, seconded by Commissioner Arakaki, it was voted on and unanimously carried to approve the 2017 Annual REEA Conference Instructor Development Workshop in Miami, Florida from June 23-26, 2017 for those Hawaii instructors who attend and complete the IDW.

Next Meeting: Wednesday, May 10, 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 11:37 a.m.

Reviewed and approved by:

/s/Diane Choy Fujimura

Diane Choy Fujimura
Senior Real Estate Specialist

April 26, 2017

Date

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

DCF:da