

MINUTES

A meeting of the Alabama Real Estate Commission was held March 23, 2012, at the offices of the Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama.

Those present were Chairman Bill Watts; Vice Chairman Steve Cawthon; Commissioners Jewel Buford, Reid Cummings, Carole Harrison, Clif Miller, Dorothy Riggins-Allen, Danny Sharp and Nancy Wright; Executive Director Philip Lasater; Assistant Executive Director Patricia Anderson; Deputy Attorney General Charles Sowell; Assistant Attorney General Chris Booth; Education Director Ryan Adair; Licensing Administrator Anthony Griffin; Investigators David Erfman, Chuck Kelly, Phillip Bunch and K.C. Baldwin and Auditor Denise Blevins. Tori Adams served as Hearing Officer.

Other staff in attendance for part or all of the meeting were Public Relations Manager Vernita Oliver-Lane, Public Relations Specialist Lori Moneyham, Information Technology Manager Brett Scott, Programmer Analyst Associate Matt Davis, Accounting and Personnel Managers Molli Jones and DeLois Thigpen, and Education Specialist Julie Norris.

The meeting having been duly noticed according to the Open Meetings Act was called to order at 9:00 a.m. by Chairman Bill Watts.

Commissioner Sharp made a motion to approve the February minutes as presented. Commissioner Wright seconded the motion and it passed unanimously 9-0.

Commissioner Sharp introduced his wife Vicky who was welcomed by all. Mr. Earl Martin, owner and instructor for Martin & Fellows Real Estate School was welcomed and he introduced four of his broker prelicense students who were attending the Commission meeting as part of their course work.

Mr. Lasater noted that the February financial statement reflects the current trend with the decline in the number of people taking the licensing examination which then impacts all other licensing numbers. He stated that this is the first fiscal year in about twelve that revenues are below projections.

The Executive Director's report continued with making Commissioners aware that House Bill 607 was introduced yesterday, March 22, 2012 by Representative Barton who chairs the Ways and Means Committee. This bill authorizes the transfer of funds from certain non-general fund agencies, such as the Real Estate Commission, into the State General Fund.

Mr. Lasater recognized Molli Jones, who is retiring, for her exemplary tenure with the Alabama Real Estate Commission over the past seven years and wished her well in her upcoming retirement. He read and presented her with a resolution from Governor Bentley. Commissioners, staff and her husband Doug congratulated Molli on this milestone in her life. Commissioner Cawthon made a motion to adopt a resolution to commend Molli's service with the Real Estate Commission and have it presented to her at a retirement luncheon scheduled to

be held on March 28, 2012. Commissioner Wright seconded the motion and it passed unanimously 9-0.

Mr. Lasater then introduced DeLois Thigpen who will be replacing Molli as Accounting and Personnel Manager. She comes to the Real Estate Commission from the Executive Budget Office in the Department of Finance where she served as a Senior Budget Analyst. She was welcomed by Commissioners.

Commissioner Miller asked if the Commission can refrain from publishing disciplinary action in the "Update" newsletter if the licensee has passed away prior to printing. It was the consensus of Commissioners that the goal will be not to publish disciplinary action on someone who is deceased and it is understood it will be the practice of staff to exercise this discretion when notice is received.

Chairman Watts reminded Commissioners that the June 1 Commission meeting date has been changed to May 24. He then asked Commissioners if they would like to move the June 28 meeting scheduled to be held in Montgomery to June 12 to be held at AAR's (Alabama Association of Realtors) summer meeting. This could be in lieu of a Commission Forum and would serve an educational purpose for all licensees who choose to attend. Commissioner Riggins-Allen made a motion to reschedule the June meeting for June 12 at 1:00 p.m. in Orange Beach, Alabama in lieu of holding a Commission Forum at AAR's Summer meeting provided the logistics can be adequately worked out. Commissioner Buford seconded the motion and it passed unanimously 9-0.

Chairman Watts read the motion that was put forward at the February meeting by the Task Force for Review and Award of grants and adopted by the Commission. The motion read "establish a standing committee to develop long term planning charged to capital initiatives in the Strategic Plan to develop contracting for needs identified in the Strategic Plan." This will need to be explored further since the Commission has never had a standing committee so the Chairman will be working with the Executive Director to establish how this can be accomplished.

Chairman Watts read the motion that was put forward at the January meeting by the Task Force for Continuing Education and adopted by the Commission. The motion read "to change the current CE requirement effective October 1, 2012 to 9 hours of elective courses and 6 hours of Risk Management with Risk Management offered in two tiers. The first tier will be a general 3 hour Risk Management course for all licensees and the second tier will be a 3 hour Risk Management course for brokers that they must take and a 3 hour Risk Management course for salespersons that they can take or choose from any other approved industry specific Risk Management course. Risk Management courses are to contain a substantial amount of License Law and must be offered by live classroom instruction only." There was a further motion in February to drop the requirement for live classroom instruction only that will allow the courses to be taught by distance education as well. There is a lot of work to be done and we are on a tight schedule. Mr. Watts asked Mr. Lasater to comment on several questions.

1. How will the course re-write plan be implemented in a timely fashion?
2. Who will be re-creating the course work in the first tier and second tier as well as an expansion on the License Law portion?
3. Is this an opportunity to put out an RFP to all those interested in responding?

Mr. Lasater responded that the timeline for implementation on October 1, 2012 eliminates the possibility of an RFP. He then asked Mr. Adair to give a report on the timeline and what the plans are for course development and implementation. Mr. Adair stated that the rule making process will be completed by early July. The Education Advisory Committee has completed the development of the Risk Management for Brokers course and is beginning work on the Risk Management for Salespersons course. Because Jim Lawrence authored the current Risk Management course, the plan is to have him update the course for the first tier. This will be accomplished by entering into a Letter of Agreement with ACRE (Alabama Center for Real Estate) to write the Risk Management: Avoiding Violations. This should keep us on track for the October 1 implementation date.

Commissioner Miller made a motion that the Commission conduct its disciplinary hearing disposition discussions and decisions in open session. Commissioner Cummings seconded the motion and it passed unanimously 9-0.

HEARINGS AND APPEARINGS

David Eugene Selbrede, Applicant to Have Real Estate Salesperson's Temporary License Issued, I-13,793

Upon discussion of the evidence and testimony presented by Mr. Selbrede regarding felony conviction reported in his application for temporary salesperson's license, Commissioner Buford made a motion to grant Mr. Selbrede's request. Commissioner Sharp seconded the motion and it passed unanimously 9-0.

Alabama Real Estate Commission vs. Jody Beth Varden AND Harzo, Inc., dba L.A. Real Estate Services, Formal Complaint No. 3259

Upon discussion of the evidence and testimony presented in the matter of Jody Beth Varden, Qualifying Broker, Harzo, Inc., d/b/a L.A. Real Estate Services, Gulf Shores, Alabama, and Harzo, Inc., d/b/a L.A. Real Estate Services, and the alleged violations of the Code of Alabama 1975, as amended, Count 1: Section 34-27-36(a)(8)b. by failing to deposit and account for at all times funds belonging to or being held for others in a separate federally insured account or accounts in a financial institution located in Alabama, by having a shortage of funds in the trust account; Count 2: Section 34-37-36(a)(8)a. by commingling money belonging to others with their own funds, the following disciplinary action was taken: On Count 1, Commissioner Cawthon made a motion to find Ms. Varden and Harzo, Inc. d/b/a Real Estate Services guilty and fine them \$2,500 each. Commissioner Cummings seconded the motion and it passed unanimously 9-0. On Count 2, Commissioner Cawthon made a motion to revoke the

licenses of Ms. Varden and Harzo, Inc. d/b/a Real Estate Services. Commissioner Cummings seconded the motion and it passed unanimously 9-0.

Robert W. Rodgers, Request for Additional Time to Pass Salesperson's Examination and Have License Issued, Past Deadline, I-13,819

Upon discussion of the request by Mr. Rodgers for extended time to pass the salesperson's examination and apply for a temporary salesperson's license, Commissioner Cawthon made a motion to approve a 90 day extension to pass the salesperson's examination and make application for a license. Commissioner Riggins-Allen seconded the motion and it passed 7-2 with Commissioners Harrison and Buford voting no.

Alabama Real Estate Commission vs. William T. Stanton, III and TSKC LLC dba Exit Realty Gulf Shores and Ashley R. Pope, Formal Complaint No. 3261

Upon discussion of the evidence and testimony presented in the matter of William T. Stanton, III, Qualifying Broker, TSKC LLC d/b/a Exit Realty Gulf Shores, and TSKC LLC d/b/a Exit Realty Gulf Shores and Ashley R. Pope, Inactive Salesperson and Former Salesperson for TSKC LLC d/b/a Exit Realty Gulf Shores, and the alleged violation of the Code of Alabama 1975, as amended, Section 34-27-36(a)(8)b. by failing to deposit and account for at all times all funds belonging to or being held for others in a separate federally insured account or accounts in a financial institution located in Alabama, by having a shortage of funds in the trust account, Commissioner Wright made a motion to accept the surrender of Ashley R. Pope's license. Commissioner Buford seconded the motion and it passed unanimously 9-0. Commissioner Wright made a motion to find the qualifying broker, Mr. William Stanton, and company, Exit Realty Gulf Shores, guilty. Commissioner Cawthon seconded the motion and it passed unanimously 9-0. Commissioner Sharp made a motion to fine Mr. Stanton and Exit Realty Gulf Shores \$2,500 each. Commissioner Cawthon seconded the motion and it passed 8-1 with Commissioner Riggins-Allen voting no. Commissioner Cawthon made a motion to revoke Mr. Stanton's broker's license, but this revocation is stayed until Dec. 31, 2012, during which time Mr. Stanton is ordered to complete the following three education courses: the course titled "Risk Management for Property Managers" being offered at the Alabama Association of Realtors®/Auburn University Education Fair in April 2012, and the two new courses titled "Risk Management: Avoiding Violations" and "Risk Management for Brokers." If the courses are completed as ordered, and proof thereof provided to the Commission office, the revocation will be permanently stayed. Commissioner Sharp seconded the motion and it passed unanimously 9-0.

NOT APPEARINGS

Lisa Keenum, Waiver of Hearing and Guilty Plea, Formal Complaint No. 3256

Upon review of the evidence and testimony presented in the matter of Lisa Keenum, Qualifying Broker, RE/MAX Properties Unlimited LLC, Lincoln, Alabama, and the alleged violation of the Code of Alabama 1975, as amended, Section 34-27-36(a)(16) by presenting to the Alabama Real Estate Commission as payment for a fee or fine, a check which was returned unpaid by the bank upon which it was drawn, Commissioner Buford made a motion to find Ms. Keenum guilty and fine her \$500. Commissioner Cawthon seconded the motion and it passed unanimously 9-0.

Alexander Mukai, Applicant for Determination of Eligibility for Licensure, I-13,795

Upon review of the application for determination of licensing eligibility submitted by Mr. Mukai, Commissioner Cawthon made a motion to deny Mr. Mukai's request. Commissioner Sharp seconded the motion and it passed unanimously 9-0.

Devereaux L. Williams, Hardship Request to Renew Lapsed Associate Broker License, I-13,821

Upon review of the hardship request by Mr. Williams for Commission approval to renew his lapsed salesperson's license, Commissioner Buford made a motion to deny Mr. Williams' request. Commissioner Cawthon seconded the motion and it passed 8-1 with Commissioner Miller voting no.

Confirm Next Meeting Date and Location for the Record: April 26, 2012, 9:00 a.m. –

Montgomery

Commissioner Buford made a motion to approve the next Commission meeting date and location for April 26, 2012, at 9:00 a.m. in Montgomery, Alabama. Commissioner Wright seconded the motion and it passed unanimously 9-0.

There being no further business, the meeting adjourned at 12:15 p.m.

Done this 23rd day of March, 2012.

Bill Watts, Chairman

Patricia Anderson, Recording Secretary