

MINUTES

A meeting of the Alabama Real Estate Commission was held July 19, 2013 at the offices of the Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama.

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

Other staff members in attendance for all or part of the meeting were Public Relations Manager Vernita Oliver-Lane and IT Systems Specialist Steven Brown.

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

Commissioner Buford made a motion to approve the June minutes as presented. Commissioner Miller seconded the motion and it passed unanimously 9-0.

In the Financial report, Mr. Lasater noted the end of the third quarter of this fiscal year. He gave an overview of expenditures which remain under projections and receipts which are up slightly this year from the end of the third quarter in fiscal year 2012.

Mr. Lasater updated Commissioners on the remodeling effort that is occurring in the front area that will result in a business and receiving area in the front, a newly-designed welcome center and the moving of the conference room to another space. This will also allow for the housing of the Public Relations division in the front office area.

Commissioners discussed the Commission Open Forum currently scheduled for Monday, September 30 at AAR's (Alabama Association of REALTORS'®) Annual Convention. There has been a request from AAR to move the Forum to Sunday afternoon, September 29 at 4:30 p.m. After discussion and hearing from Commissioner Harrison, who is on the Impact Committee for AAR, Commissioner Buford made a motion to conduct the Forum and to accommodate the schedule change. Commissioner Harrison seconded the motion and it passed unanimously 9-0.

Commissioners discussed the amended Strategic Plan. Chairman Watts identified areas where task forces will be needed to produce work products called for in the Strategic Plan. Commissioner Cawthon addressed his work with the Governor's Task Force on HOA's (Home Owner Associations). They are still pulling together information to assess whether some type of licensing requirement is needed for HOA's who handle large sums of consumer's money. Commissioner Cawthon will provide updates on the task force's work as they become available.

Commissioners next discussed the possible regulation of apartment managers and the research that needs to be done to assess whether or not the Commission should move forward with securing legislation to regulate them. At the conclusion of the discussion, Commissioner Wright made a motion to adopt the Strategic Plan. Commissioner Sharp seconded the motion and it passed unanimously 9-0.

Commissioners discussed the 2014 calendar. Mr. Lasater made Commissioners aware that all real estate related meeting dates are reflected in the calendar draft and asked Commissioners to send any dates where they have conflicts in 2014. A calendar will then be prepared for Commissioners' review, edit, and adoption.

A Public Hearing was held on Rules 790-X-1-.06, 790-X-1-.10, 790-X-1-.12, 790-X-1-.14, 790-X-1-.15, 790-X-1-.17, 790-X-1-.21 and 790-X-2-.05. Mr. Earl Martin, instructor and owner of Martin and Fellows Real Estate School, commented that he had reviewed all the proposed changes, agreed with them and offered no changes to the proposal. Upon asking for other comments, there were none offered.

Commissioner Cummings made a motion that Commissioners conduct hearing disposition discussions and decisions in open meeting. Commissioner Cawthon seconded the motion and it passed unanimously 9-0.

HEARINGS AND APPEARINGS

Linda Hall, Hardship Application for Renewal of Lapsed Broker's License, I-14,097

Upon discussion of the hardship renewal request presented by Ms. Hall, Commissioner Cummings made a motion to approve Ms. Hall's request. Commissioner Sharp seconded the motion and it passed unanimously 9-0.

Tyler Whitten, Hardship Application for Renewal of Salesperson's Lapsed License, I-14,088

Upon discussion of the hardship renewal request presented by Ms. Whitten, Commissioner Sharp made a motion to approve Ms. Whitten's request. Commissioner Miller seconded the motion and it passed unanimously 9-0.

Valerie Brown, Hardship Request for Additional Time to Pass Temporary Salesperson's Examination, I-14,115

Upon discussion of the hardship request by Ms. Brown to take the salesperson's examination without taking the pre-license course again, Commissioner Riggins-Allen made a motion to grant Ms. Brown a 90-day extension. Commissioner Cummings seconded the motion and it passed unanimously 9-0.

Alabama Real Estate Commission vs. Hodge and Associates, Inc. and Steve Hodge, Formal Complaint No. 3316

Upon discussion of the evidence and testimony presented in the matter of Steve Hodge, Qualifying Broker, Hodge and Associates, Inc., Dothan, Alabama, and Hodge and Associates Inc., 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 and by having a shortage of funds in the rents trust account and security deposit account, Commissioner Cawthon made a motion to find Hodge and Associates, Inc. and Mr. Hodge guilty. Commissioner Miller seconded the motion and it passed unanimously 9-0. Commissioner Cawthon made a motion to revoke the licenses of Hodge and Associates, Inc. and Mr. Hodge. Commissioner Cummings seconded the motion. Commissioner Miller offered a friendly amendment to also fine Hodge and Associates, Inc. and Steve Hodge a total of \$2,500. Commissioners Cawthon and Cummings accepted the friendly amendment. The motion to revoke the licenses of Respondents and fine them a total of \$2,500 passed unanimously 9-0.

Shawn P. Trapp, Applicant for Reciprocal License, I-14,105

Upon discussion of Mr. Trapp's eligibility for licensure Commissioner Riggins-Allen made a motion to deny Mr. Trapp's request. Commissioner Harrison seconded the motion and it failed 4-5 with Commissioners Sharp, Buford, Wright, Cummings and Watts voting against the motion. Commissioner Sharp made a motion to approve Mr. Trapp's request. Commissioner Buford seconded the motion and it passed 5-4 with Commissioners Harrison, Miller, Cawthon and Riggins-Allen voting against the motion.

Alabama Real Estate Commission vs. Michael D. Bedsole, Formal Complaint No. 3317

Upon discussion of the evidence and testimony presented in the matter of Michael D. Bedsole, Associate Broker, Overton Companies LLC, d/b/a Overton Real Estate, Auburn, Alabama, and the alleged violation of the *Code of Alabama* 1975, as amended, Count 1: Section 34-27-36(a)(14) by accepting commissions or other valuable considerations for performing acts for which a real estate license is required from any person except his qualifying broker as outlined in the Allegations of Fact with reference to the \$4500.00 payment from Mr. Monk; Count 2: Section 34-27-36(a)(26) by displaying conduct which constitutes or demonstrates dishonest dealings, bad faith and/or altered information/documents being provided regarding his commission advance payment on Advance Commission Payment #1; Count 3: Section 34-27-36(a)(26) by displaying conduct which constitutes or demonstrates dishonest dealings, bad faith or untrustworthiness. Specifically, Respondent's actions involving the preparation and submission of a fabricated real estate contract/transaction and providing false information regarding Advance Commission Payment #2; Count 4: Section 34-27-36(a)(21) by misrepresenting or failing to disclose to any lender, guaranteeing agency, or any other interested party, the true terms of a sale of real estate. Specifically, Respondent informed Commission Express (CE) that the transaction on 671 Anders Court, Auburn, Alabama, failed to

close when in fact it did close as scheduled; Count 5: Section 34-27-36(a)(21) by misrepresenting or failing to disclose to any lender, guaranteeing agency, or any other interested party, the true terms of a sale of real estate. Specifically, Respondent informing CE the transaction on 1941 Talcott Court, Auburn, Alabama, failed to close when in fact it did close as scheduled; Count 6: Section 34-27-36(a)(21) by misrepresenting or failing to disclose to any lender, guaranteeing agency, or any other interested party, the true terms of a sale of real estate. Specifically, Respondent preparing and submitting an altered contract indicated his real estate company held both the listing and selling side of the transaction involving 607 Glenn Avenue, Auburn, Alabama, when in fact his company was only the listing company on the transaction. Additionally, representing (through documents and signatures) Joy Givhan (Respondent's spouse but with use of her maiden name) was his Qualifying Broker in regard to the transaction involving 607 Glenn Avenue, Alabama, Alabama, when in fact she was an unlicensed assistant at Overton Real Estate; Count 7: Section 34-27-36(a)(21) by misrepresenting or failing to disclose to any lender, guaranteeing agency, or any other interested party, the true terms of a sale of real estate. Specifically, Respondent creating and submitting a totally fabricated real estate contract representing a non-existent transaction in order to receive an Advance Commission Payment on 4132 Mara Vista, Auburn, Alabama; Count 8: Section 34-27-36(a)(21) by misrepresenting or failing to disclose to any lender, guaranteeing agency, or any other interested party, the true terms of a sale of real estate. Specifically, Respondent represented (through documents and signatures) Joy Givhan (Respondent's spouse but with use of her maiden name) was his Qualifying Broker in regard to a transaction involving the sale of 4104 Mara Vista, Auburn, Alabama, when in fact she was an unlicensed assistant at Overton Real Estate. Additionally, Respondent's actions to transfer a commission advance from a non-existent transaction (4132 Mara Vista) to another apparently valid transaction (4104 Mara Vista); the following action was taken.

On Count 1, Commissioner Cummings made a motion to find Mr. Bedsole guilty. Commissioner Buford seconded the motion and it passed unanimously 9-0. Commissioner Cawthon made a motion to fine Mr. Bedsole \$2,500. Commissioner Buford seconded the motion and it passed unanimously 9-0.

On Counts 2-8, Commissioner Buford made a motion to find Mr. Bedsole guilty and revoke his license on each count. Commissioner Cummings seconded the motion and it passed unanimously 9-0.

NOT APPEARING ITEMS FOR RULING

Joe N. Dickson, Medical Hardship Request to Renew Lapsed Broker License, I-14,112

Upon review of the hardship request for license renewal submitted by Mr. Dickson, Commissioner Miller made a motion to approve his request. Commissioner Riggins-Allen seconded the motion and it passed unanimously 9-0.

Aaron Luke Rogers, Applicant for Determination of License Eligibility, I-14,091

Upon review of the application for determination of license eligibility submitted by Mr. Rogers, Commissioner Cawthon made a motion to approve Mr. Rogers' request. Commissioner Riggins-Allen seconded the motion and it passed unanimously 9-0.

**Confirm Next Meeting Date and Location for the Record: August 23, 2013, 9:00 a.m.,
Montgomery**

Commissioner Sharp made a motion to approve the Commission meeting date and location for August 23, 2013 at 9:00 a.m. in Montgomery, Alabama. Commissioner Cawthon seconded the motion and it passed unanimously 9-0.

There being no further business, the meeting adjourned at 2:00 p.m.

Done this 19th day of July, 2013.

Bill Watts, Chairman

Patricia Anderson, Recording Secretary