

MINUTES

A meeting of the Alabama Real Estate Commission was held October 23, 2014, 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 Steve Cawthon, Reid Cummings, Cindy Denney, Carole Harrison, Clif Miller, Dorothy Riggins-Allen and Danny Sharp; Executive Director Patricia Anderson; Assistant Executive Director Teresa Hoffman; General Counsel Chris Booth; Assistant General Counsel Mandy Lynn; Education Director Ryan Adair; Licensing Administrator Anthony Griffin and Investigators David Erfman, Chuck Kelly, Phillip Bunch and K. C. Baldwin. Tori Adams served as Hearing Officer.

Other staff members present for all or part of the meeting were Public Relations Manager Vernita Oliver-Lane, Public Relations Specialist Lori Moneyham, IT Manager Brett Scott, Accounting and Personnel Manager Molli Jones, Education Specialist Pam Oates, IT Systems Specialist Steven Brown and Executive Assistant Nicholas Bunch.

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

New Commissioner Cindy Denney was sworn in by Executive Director Patricia Anderson. Commissioner Watts reminded Commissioners that, upon the appointment of a new Commissioner, they were required by license law to elect a chairman and vice chairman. Commissioner Wright made a motion that Commissioner Bill Watts continue as chairman. Commissioner Cawthon seconded the motion and it passed unanimously 9-0. Commissioner Cawthon made a motion that Commissioner Nancy Wright continue as vice chairman. Commissioner Riggins-Allen seconded the motion and it passed unanimously 9-0.

Commissioner Riggins-Allen made a motion to approve the minutes from the September 29, 2014 meeting. Commissioner Cummings seconded the motion and it passed unanimously 9-0.

Ms. Anderson provided an end-of-the-year financial report for FY2014. Expenditures remained under projection. Revenue was under projection, but showed improvement in September. Seventy-five percent of revenue was from renewals with the remainder coming from other sources such as penalties and new licenses. Seventy-four percent of expenses were related to personnel (salaries, benefits, etc.). The remaining expenditures were from repairs, utilities and other sources.

Ms. Anderson presented the proposed FY2016 budget. She explained that there was an increase in the Professional Services line item due to the costs associated with STAARS, the State of Alabama's new accounting system. Every state agency has been assessed a pro rata share of the cost of the new system. The line item was also increased to include the purchase of RFID Inventory Software. IT Manager Brett Scott explained that the RFID system will provide the Commission's accounting division with an easier method for tracking office inventory. Commissioner Wright made a motion to approve the FY2016 budget as presented. Commissioner Cawthon seconded the motion and it passed unanimously 9-0.

Ms. Anderson introduced new Commission staff member Nicholas Bunch. Mr. Bunch will serve as executive assistant to Ms. Anderson and Assistant Executive Director Teresa Hoffman. She also announced that staff members Steven Brown and Pam Oates recently graduated from the two-year Certified Public Manager (CPM) program.

Ms. Anderson announced that Accounting and Personnel Manager Molli Jones will now handle all aspects of travel for Commissioners. Public Relations Specialist Lori Moneyham will assist with travel, as needed. She also explained changes to the out-of-state travel guidelines regarding meal caps.

Ms. Anderson has been elected Association of Real Estate License Law Officials (ARELLO®) District 2 vice president. Her fellow district vice presidents elected her as senior district vice president, meaning that she will be a member of the ARELLO® Executive Committee.

Chairman Watts introduced Jeremy Walker, Governmental Affairs Director with the Alabama Association of REALTORS® (AAR). Mr. Walker addressed the Commission regarding the Homeowners' Association (HOA) bill that was sponsored by Rep. Mac McCutcheon during the last legislative session. When the bill failed to move through the legislature, AAR formed a task force to review it. The task force met with key stakeholders who will be affected by the bill and Rep. McCutcheon. The meetings resulted in a "drastically reduced" version of the original bill that calls for the creation of a registry that will house HOA documents, including bylaws and formation documents. The registry would be administered by the Alabama Secretary of State's office. The new version of the bill would also require HOA's to have a bond or insurance policy to cover them for financial loss. If the law passes, it will initially apply to new HOA's and older HOA's would be grandfathered in. Mr. Walker stated that AAR was in the early stages of formulating the bill and would welcome ideas and suggestions from Commissioners.

Commissioner Miller made a motion to conduct disciplinary hearing disposition discussions and decisions in an open meeting. Commissioner Harrison seconded the motion and it passed unanimously 9-0.

HEARINGS

Anita Adams, Request for Extension of One-Year Deadline to Take and Pass Salesperson's Examination, I-14,457

Upon discussion of the evidence and testimony presented by Ms. Adams regarding her request for an extension of the one-year deadline for her to take and pass the salesperson's examination, Commissioner Riggins-Allen made a motion to grant her a 90-day extension. Commissioner Harrison seconded the motion and is passed unanimously 9-0.

Teresa Batts-Walker, Applicant for Temporary Salesperson's License Issuance, I-14,430

Upon discussion of the evidence and testimony presented by Ms. Batts-Walker regarding her application for a temporary salesperson's license, Commissioner Cawthon made a motion to approve her application to have a temporary salesperson's license issued upon completion of full payment of

restitution from her felony conviction. Commissioner Miller seconded the motion and it passed unanimously 9-0.

Dan McCorkle, Application for Determination of Licensing Eligibility, I-14,433

Upon discussion of the testimony and evidence presented by Mr. McCorkle regarding his eligibility for licensure, Commissioner Sharp made a motion to grant his request. Commissioner Miller seconded the motion and it passed 8-1 with Commissioner Riggins-Allen voting against the motion.

Alabama Real Estate Commission vs. Efrain D. Hernandez, Formal Complaint No. 3346

Efrain D. Hernandez, Suspended Salesperson, Enterprise, Alabama, was charged on Count 1 of violating *Code of Alabama* 1975, as amended, Section 34-27-36(a)(19) by disobeying an order of the Commission to pay the fine assessed in Formal Complaint No. 3302. Upon discussion of the evidence and testimony presented in the matter, Commissioner Miller made a motion to find him guilty with no additional action. Commissioner Sharp seconded the motion and it passed 8-1 with Commissioner Wright voting against the motion.

Christina G. Williams, Hardship Request to Renew a Lapsed Salesperson’s License, I-14,432

Upon discussion of the evidence and testimony presented by Ms. Williams regarding her hardship request to renew her lapsed salesperson’s license, Commissioner Cawthon made a motion to deny her request. Commissioner Cummings seconded the motion and it passed unanimously 9-0.

Richard R. Austin, Request to Become Relicensed After Previous Revocation, I-14,436

Upon discussion of the evidence and testimony presented by Mr. Austin regarding his request to become relicensed after previous revocation, Commissioner Cawthon made a motion to approve his request. Commissioner Denney seconded the motion and it passed unanimously 9-0.

Alabama Real Estate Commission vs. Randall D. Hilsman, Continuation of Hearing Begun on September 29, 2014 in Mobile, Alabama, Formal Complaint No. 3340

Randall D. Hilsman, Salesperson, Carney Realty, Inc., Sunset Bay Branch, Gulf Shores, Alabama, was charged on Count 1 with violating *Code of Alabama* 1975, as amended, Section 34-27-36(a)(19) by failing to comply with Section 34-27-30(8) in that his company procured or assisted in procuring prospects for the purpose of effecting the sale, exchange, lease or rental of real estate situated within the state of Alabama for a fee, commission, or other valuable consideration and not holding a company real estate license and on Count 2 with violating *Code of Alabama* 1975, as amended, Section 34-27-36(a)(19) by failing to comply with Section 34-27-30(10) in that he held out to the public that Bama Beach Front Rentals, an unlicensed company, was able to perform real estate property management for which a license is required, without it being properly licensed.

General Counsel Chris Booth informed the Commissioners that Mr. Hilsman’s counsel requested that the remainder of his presentation be submitted to the Commission in the form of a written closing argument. The written closing argument will be made available to the Commissioners

prior to the December 4, 2014 Commission meeting and they will vote on Mr. Hilsman's case based on that information and previous testimony that was given at his September 29, 2014 hearing in Mobile, Alabama.

NOT APPEARING ITEMS FOR RULING

Mickey Berry, Waiver of Hearing and Guilty Plea, Formal Complaint No. 3350

Upon review of the evidence and testimony presented in the matter of Mickey Berry, Salesperson, CSM Realty, Birmingham, Alabama, and the alleged violation of the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(16) in that he submitted an electronic check as payment for license renewal fees which was returned unpaid, Commissioner Miller made a motion to find Mr. Berry guilty and fine him \$500. Commissioner Wright seconded the motion and it passed unanimously 9-0.

Jean H. Nowell, Waiver of Hearing and Guilty Plea, Formal Complaint No. 3352

Upon review of the evidence and testimony presented in the matter of Jean H. Nowell, Inactive Salesperson, Daleville, Alabama, and the alleged violation of the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(16) in that she presented 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 Wright made a motion to find Ms. Nowell guilty and fine her \$250. Commissioner Riggins-Allen seconded the motion and it passed unanimously 9-0.

Sharon L. McDonald, Waiver of Hearing and Guilty Plea, Formal Complaint No. 3353

Upon review of the evidence and testimony presented in the matter of Sharon L. McDonald, Inactive Salesperson, McCalla, Alabama, and the alleged violation of the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(16) in that she submitted an electronic check for license renewal which was returned unpaid, Commissioner Riggins-Allen made a motion to find Ms. McDonald guilty and fine her \$250. Commissioner Sharp seconded the motion and it passed unanimously 9-0.

Joy C. DeSouza, Waiver of Hearing and Guilty Plea, Formal Complaint No. 3354

Upon review of the evidence and testimony presented in the matter of Joy C. DeSouza, Inactive Salesperson, Huntsville, Alabama, and the alleged violation of the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(16) in that she submitted a check for license renewal which was returned unpaid by the bank upon which it was drawn, Commissioner Cummings made a motion to find Ms. DeSouza guilty and fine her \$250. Commissioner Riggins-Allen seconded the motion and it passed unanimously 9-0.

Wanda Abney, Request to Renew Real Estate License Without Penalty, Investigative File I-14,458

Upon review of the evidence and testimony presented in the matter of Wanda Abney, Inactive Salesperson, Gardendale, Alabama, and her request to renew her license without penalty due to medical hardship, Commissioner Cummings made a motion to grant her a 60-day extension to pay her

renewal fee without penalty. Commissioner Miller seconded the motion and it passed unanimously 9-0.

Donna H. Smith, Request to Renew Real Estate License Without Penalty, Investigative File I-14,459

Upon review of the evidence and testimony presented in the matter of Donna H. Smith, Inactive Salesperson, Huntsville, Alabama, and her request to renew her license without penalty due to medical hardship, Commissioner Riggins-Allen made a motion to grant her a 30-day extension to pay her renewal fee without penalty. Commissioner Wright seconded the motion and it passed unanimously 9-0.

Ken L. Faught, Request to Become Relicensed After Previous Revocation, I-14,453

Upon review of the evidence and testimony presented in the matter of Ken Faught regarding his request to become relicensed after previous revocation, Commissioner Riggins-Allen made a motion to deny his request. Commissioner Cawthon seconded the motion and it passed unanimously 9-0.

Aronov Realty Brokerage, Hardship Request for Home Operation Due to Fire at Branch Office, I-14,247

Upon review of the hardship request for an additional 120 days for licensees of The Lake Martin Branch Office of Aronov Realty Brokerage to operate from their homes while their office is being built, Commissioner Harrison made a motion to deny the request. Commissioner Sharp seconded the motion and it passed unanimously 9-0.

Thomas B. Bealle, III – Request for Home Operation, I-14,400

Upon review of Mr. Bealle's request for home operation, Commissioner Cummings made a motion to approve the request. Commissioner Wright seconded the motion and it passed unanimously 9-0.

Robert P. Dorsett, Request for Refund of Late Renewal Penalty Fees for Company and Qualifying Broker License Renewals, I-14,454

Upon review of Mr. Dorsett's request for a refund of renewal fee penalties for qualifying broker and company license renewals due to failure to receive a notice in the mail, Commissioner Wright made a motion to deny the request. Commissioner Miller seconded the motion and it passed unanimously 9-0.

Robert L. Snider, Request to Allow Archived CE to be Restored and Used for 2016 License Renewal, Investigative File-14,471

Upon review of Mr. Snider's request to allow his archived continuing education to be restored and used for his 2016 license renewal, Commissioner Cummings made a motion to grant his request. Commissioner Riggins-Allen seconded the motion and it passed unanimously 9-0.

Confirm Next Meeting Date and Location for the Record: December 4, 2014, 9:00 a.m. - Montgomery

Commissioner Wright made a motion to approve the next meeting for December 4, 2014, at 9:00 a.m. in Montgomery. Commissioner Sharp seconded the motion and it passed unanimously 9-0.

There being no further business, the meeting adjourned at 11:50 a.m.

Done this 23rd day of October, 2014.

Bill Watts, Chairman

Recording Secretary, Lori Moneyham