

MINUTES

A meeting of the Alabama Real Estate Commission was held February 21, 2013, at the offices of the Alabama Real Estate Commission.

Those present were Chairman Bill Watts; Vice Chairman Nancy Wright; Commissioners Jewel Buford, Steve Cawthon, Carole Harrison, Clif Miller, Dorothy Riggins-Allen, and Danny Sharp; Executive Director Philip Lasater; Assistant Executive Director Patricia Anderson; General Counsel Chris Booth; 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. Commissioner Reid Cummings was absent with notice.

Other staff members in attendance for all or part of the meeting were Public Relations Manager Vernita Oliver-Lane, Public Relations Specialist Lori Moneyham, and Information Technology Manager Brett Scott.

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 Cawthon made a motion to approve the January minutes as presented. Commissioner Buford seconded the motion and it passed unanimously 8-0.

Commissioner Watts commended the staff on a successful property audit by the State Auditor.

In the Executive Director's Report and Financial Review, Mr. Lasater said the January financials were posted to the Commissioners' website and that the staff was still in the process of developing a reporting mechanism that will provide Commissioners with ongoing monitoring of information. Referring to the Summary of Fund Balances, Mr. Lasater noted that \$3.1 million in receipts have already been collected in this fiscal year. This is an indication that licensing activity has picked up. He noted that expenditures are under projection.

Mr. Lasater also noted that major expenditures are included in the spending plan, including a new imaging system that will be connected to funds receipts, documents, and licensing activity that are part of the records retention. The plan is to purchase the system in this fiscal year with the possibility of extending into the next fiscal year. He added that there are enough funds in investments that can be drawn from if expenditures exceed projections.

Mr. Lasater welcomed investigator Chuck Kelly back after an absence due to health issues. He announced that a new attorney, Mandy Lynn, will be joining the staff on March 1. Ms. Lynn will be coming from the Alabama Department of Labor.

Mr. Lasater reminded Commissioners that the Strategic Planning Session will be held Wednesday, March 20, beginning at 9:00 a.m. at the Auburn University Montgomery TechnaCenter. Detailed information and directions will be provided at a later date.

During the first week of March, Commissioners will receive information soliciting feedback that will be used as a basis for discussion at the Strategic Planning Session. The regular Commission meeting will be held on Thursday, March 21.

Mr. Lasater reported that Commissioners Buford and Wright attended the Association of Regulatory Boards (AARB) Legislative Reception on the evening of February 20, with him and Pat Anderson. Additionally, he commented that legislator attendance continues to increase annually, and participation with AARB proves a beneficial resource to the Commission for networking and information exchange regarding legislature impacting all boards and commissions.

Commissioner Watts inquired about current legislative bills that seek to expand the administrative rule as far as to have a possible economic impact on small businesses. One bill has exemptions for licensed agents and one does not. Mr. Lasater stated that there are ongoing discussions with proponents of these bills.

Commissioner Buford reminded Commissioners about the upcoming REALTOR® Day on March 5, sponsored by the Alabama Association of REALTORS®.

Mr. Lasater updated Commissioners regarding the current incidents of hacking that have affected, among other entities, the State of Alabama. He turned the discussion over to Information Technology Manager Brett Scott to provide further information on measures the Commission will be taking to combat future hacking.

Mr. Scott explained that, while there was no indication that the Commission's servers were compromised when the state systems were hacked, security measures were reviewed and revised as a proactive measure. As a result, Commissioners were asked to change their passwords to enhance website security. He also asked that Commissioners please notify the IT Division if their office security is compromised through theft or loss of laptops or other devices they may use to access the Commission's website.

Commissioner Wright made a motion that Commissioners conduct hearing disposition discussions and decisions in open meeting. Commissioner Sharp seconded the motion and it passed unanimously 8-0.

HEARINGS AND APPEARINGS

Alabama Real Estate Commission vs. Praytor Realty Company, Inc. and Hugh T. Praytor, III, Formal Complaint No. 3292

Upon discussion of the evidence and testimony presented in the matter of Praytor Realty Company, Inc. and Hugh T. Praytor, III, Qualifying Broker, Praytor Realty Company, Inc., and the alleged violation 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 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 rental trust account; Count 2: Section 34-27-36(a)(8)a. by commingling Respondents'

funds with those belonging to others by depositing a tax refund and a personal property sum unrelated to rent and paying personal debts from the trust account; the following action was taken.

Commissioner Watts offered to recuse himself prior to the beginning of the case, but Mr. Praytor declined.

On Count 1, Commissioner Buford made a motion to find Mr. Praytor and Praytor Realty guilty with a reprimand and fine them a total of \$2,500. Commissioner Wright seconded the motion and it passed unanimously 8-0.

On Count 2, Commissioner Buford made a motion to find Mr. Praytor and Praytor Realty guilty of commingling only and fine them a total of \$2,500. Commissioner Riggins-Allen seconded the motion and it passed unanimously 8-0. Respondents were not found guilty of paying personal debts from the trust account.

Alabama Real Estate Commission vs. William Steve Owens, Formal Complaint No. 3301

Upon discussion of the evidence and testimony presented in the matter of William Steve Owens, Qualifying Broker, K T Investments Group, Inc., Birmingham, Alabama, and the alleged violation of the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(16), as amended, by submitting a check as payment for real estate license renewal fees which was returned unpaid, the following action was taken.

Commissioner Miller made a motion to dismiss the charges. Commissioner Riggins-Allen seconded and the motion passed unanimously 8-0.

Rauschelle C. Galloway, Application for Determination of Licensing Eligibility, I-14,016

Upon discussion of the evidence and testimony presented by Ms. Galloway regarding application for determination of licensing eligibility, Commissioner Cawthon made a motion to deny her request pending her paying or settling all costs associated with her conviction. Commissioner Buford seconded and the motion passed unanimously 8-0.

Alabama Real Estate Commission vs. Rob Copeland Property Management LLC and Robert S. Copeland, Formal Complaint No. 3297

Upon discussion of the evidence and testimony presented in the matter of Rob Copeland Property Management LLC, Mobile, Alabama, and Robert S. Copeland, Qualifying Broker, Rob Copeland Property Management LLC, 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 rents trust account and the security deposit/earnest money account, the following action was taken.

Commissioner Riggins-Allen made a motion to find Mr. Copeland guilty with a reprimand and fine him \$2,500. Commissioner Cawthon seconded the motion and it passed unanimously 8-0.

NOT APPEARING ITEMS FOR RULING

Cicely Johnson Brewer, Waiver of Hearing and Guilty Plea, Formal Complaint No. 3287

Upon review of the evidence and testimony presented in the matter of Cicely Johnson Brewer, Inactive Salesperson, Pinson, 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 of a fee or fine, a check which was returned unpaid by the bank upon which it was drawn, Commissioner Cawthon made a motion to find her guilty and fine her \$250. Commissioner Miller seconded the motion and it passed unanimously 8-0.

George M. Ward, Waiver of Hearing and Guilty Plea, Formal Complaint No. 3296

Upon review of the evidence and testimony presented in the matter of George M. Ward, Qualifying Broker, Springhill Properties, Mobile, 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 Cawthon made a motion to decline to accept the plea and dismiss the charges. Commissioner Sharp seconded and it passed 7-1 with Commissioner Buford voting no.

Phillip D. Ledbetter and G. B. Daniel Realty, Surrender of License, I-13,945

Upon review of the affidavit for license surrender submitted by Mr. Ledbetter and G. B. Daniel Realty, Commissioner Buford made a motion to accept the surrender of Mr. Ledbetter's and G. B. Daniel Realty's licenses. Commissioner Riggins-Allen seconded the motion and it passed unanimously 8-0.

Confirm Next Meeting Date and Location for the Record: March 21, 2013, 9:00 a.m. in Montgomery

Commissioner Buford made a motion to approve the Commission meeting date and location for March 21, 2013, at 9:00 a.m. in Montgomery, Alabama. Commissioner Sharp seconded the motion and it passed unanimously 8-0.

There being no further business, the Commission adjourned at 12:20 p.m.

Done this 21st day of February, 2013.

Bill Watts, Chairman

Patricia Anderson, Recording Secretary