

MINUTES

A meeting of the Alabama Real Estate Commission was held June 23, 2022 at the offices of the Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama. This meeting was also available by video teleconference (VTC).

The meeting, having been duly noticed according to the Alabama Open Meetings Act, was called to order by Commission Chairman Emmette Barran at 9:00 a.m.

Chairman Barran called the roll and the following Commissioners indicated their presence with a spoken "present": Vice Chairman Terri May; Commissioners Jimmie Ann Campbell, Betsy Echols, Joyce Harris, Susan Smith and Cerita Tucker Smith. A quorum was declared. Commissioner Randy McKinney was absent with notice. The seat for the Sixth District is currently vacant.

Commission staff members in attendance or participating via VTC for all or part of the meeting were Executive Director Vaughn Poe; Assistant Executive Director Teresa Hoffman; General Counsel Starla Leverette; Investigators K.C. Baldwin, David Erfman, Rickey Fennie and Marshall Simons; Communications and Public Relations Director Vernita Oliver-Lane; Communications and Public Relations Specialist Senior Lori Moneyham; State Professional Trainee Jess Sparks; Communications and Public Relations Intern Taylar Hooks; Education Director Ryan Adair; Education Specialists David Bowen, Julie Norris and Pam Oates; Education Assistant Nancy Williamson; Accounting and Personnel Director Molli Jones; Auditors Denise Blevins and Vickie Shackelford; Staff Accountant Hattie Thomas; Account Clerk Amber Green; Information Technology Director Brett Scott; Information Technology Systems Specialist Steven Brown; Licensing Director Anthony Griffin; Licensing Assistant Shy'kierra Knight; and Executive Assistant Barbi Lee. The Hearing Officer was Jim Hampton.

Members of the public also attended via video teleconference.

Commissioner Echols made a motion to approve the minutes from the May 19, 2022 Commission meeting. Commissioner Tucker Smith seconded the motion and it passed 6-0-1 with Chairman Barran abstaining from the vote since he was not in attendance for that meeting.

COMMISSIONER DISCUSSION

1. Adopt Proposed Rule Amendment for Certification to Legislative Services Agency

Rule Amendment 790-X-1-.03 License Requirements. General Counsel Starla Leverette reviewed and discussed the amendment timeline with Commissioners. She explained one grammatical correction was made and a written comment was received from Anne Powell. The additional changes were explained to Commissioners:

- a. Number 1c – grammatical and punctuation correction: “negotiate, or attempt to negotiate,”
- b. Number 3 - the following words were added after the word licensee “or his or her spouse, child, or parent”
- c. Sentence between Numbers 3b and 4 - the following words were added after the word licensees “or their licensees’ spouses, children, or parents”

Upon discussion of the additional changes made to Rule Amendment 790-X-1-.03 License Requirements, Commissioner Campbell made a motion to accept the changes as presented and incorporate into the final rule amendment. Vice Chairman May seconded the motion and it passed unanimously 7-0.

Upon discussion to adopt proposed Rule Amendment 790-X-1-.03 License Requirements for certification to Legislative Services Agency, Vice Chairman May made a motion to certify Rule Amendment 790-X-1-.03 with changes to Legislative Services Agency. Commissioner Echols seconded the motion and it passed unanimously 7-0.

This rule will be effective September 12, 2022.

2. Approve for Filing Proposed Rule Amendment with Legislative Services Agency Rule Amendment 790-X-1-.07 Qualifications for Prelicense and Post License Instructors. Executive Director Vaughn Poe explained to Commissioners that currently there is no mechanism that allows the Commission to require remedial training for instructors teaching real estate education. Education Director Ryan Adair explained in detail the proposed changes to Commissioners. The proposed rule amendment would require an individual to obtain a minimum of 70 points prior to being admitted to a mandatory orientation for instructors. The mandatory orientation shall be comprised of two scored parts:
 1. A pretest evaluating the applicant’s real estate and license law content knowledge.
 2. A presentation, evaluated individually by a panel of experts utilizing a set of standardized criteria, on a real estate examination topic given by the applicant as part of the orientation.

A minimum orientation final score of 70 shall be mandatory to obtain final instructor approval. A score below 70 shall require remedial instructor training identified by the Commission.

Upon discussion to approve for filing proposed Rule Amendment 790-X-1-.07 Qualifications for Prelicense and Post License Instructors with Legislative Services Agency, Commissioner Smith made a motion to file proposed Rule Amendment 790-X-1-.07 with Legislative Services Agency. Commissioner Campbell seconded the motion and it passed unanimously 7-0.

EXECUTIVE DIRECTOR'S REPORT

Director Poe presented the May 2022 financial reports and gave Commissioners an update on revenues and expenditures in the operating and recovery fund accounts. Revenues and expenditures are on track as projected for the year. There have been no recovery fund payouts for the past 30 days. The Commission has paid \$458,592.01 to other state agencies for services during fiscal year 2022.

Director Poe reported the Commission has issued 38,841 total licenses. There are 4,403 licensed companies and branches. During May there were 551 licenses issued: 239 Temporary, 262 Original Salesperson; and 50 Broker. The average rate of growth for May was 9.64 new license applications per day, or roughly 289 per month. Presently there are 8,913 inactive licenses.

Director Poe discussed renewals and that 34,160 is the number of licensees (people) that the Commission is looking to renew their real estate license during the current renewal cycle. This number includes Active Licensees: Brokers – 7,814; Salespersons – 16,614; Temporary Salespersons – 1,097 and Inactive Licensees: Brokers – 1,549; Salespersons – 6,713; Temporary Salespersons – 373. He stated the current renewal week compared to 2020 is about 50 percent. These numbers are tracked on a weekly basis.

He stated that the Accounting Division reported that 28 desk audits and four assistance visits were completed since the May 2022 Commission meeting.

The Education Division reported there are 746 total education licenses. Education staff performed five course audits during May.

Director Poe discussed the Plan of Action & Milestones (POA&M) results regarding certified continuing education courses. There were 93 total responses received. There were 28 courses identified to be certified before October 1, 2022. There were 51 courses identified that would not be certified before October 1, 2022. There were 40 instructors represented and 18 schools including Baldwin, Mobile, Huntsville and Birmingham Associations of REALTORS®.

Director Poe stated he had a recent conversation with an individual regarding interests in a statewide universal contract and asked that it be shared with Commissioners. Most of the larger companies have their own contracts for use and this type of endeavor would be a huge engaging effort.

Director Poe reported he participated in the 2022 SABRE Market Summit at the University of South Alabama in Mobile on June 9, 2022. His discussion included blockchain, Bitcoin, and their growing influence on real estate markets. A particular interest was a discussion on Smart Contracts within the blockchain. Director Poe also participated and represented the Commission at the NAREB Region 6 Regional Conference in Birmingham June 9-11. Commissioners Harris and

Tucker Smith were also in attendance at this conference. Commissioner Tucker Smith stated this conference was dynamic, very well attended and the information shared was phenomenal.

Director Poe reminded Commissioners the October 13, 2022 meeting will be held in Mobile at the University of South Alabama's campus. Plans are being made to hold the April 2023 Commission meeting in Huntsville with date and location to be determined. The October date change will be officially approved at the July 21 meeting.

Director Poe gave an update on the Prelicense and Post License Task Force. The task force is in the final stage of its work and purpose. Once the work is complete, a summary will be presented to Commissioners for review and recommendations. A final product should be shared with all licensees, partners and stakeholders. Commissioner Echols commended Director Poe for the work that has been done. She stated the changes were long overdue. Commissioner Harris commended Director Poe as well.

Director Poe discussed the next logical step would be to begin reviewing the Broker's licensure process. Commissioners agreed and unanimously approved for Director Poe to convene a Broker Restructure Task Force. Additional information will be provided at the next Commission meeting.

Director Poe discussed Coffee with the Commission that was held on Wednesday, June 22, 2022. Topics of discussion included license renewals and names used by licensees. Licensing Director Anthony Griffin, Education Director Ryan Adair, General Counsel Starla Leverette and Director Poe co-hosted this segment.

Director Poe reminded Commissioners that the 2022 ARELLO® Annual Conference will be held August 29 – September 2 in Nashville, Tennessee. Commissioner College will be available for in-person attendance.

HEARINGS – 9:30 Docket

Griffith Keith, Application for Real Estate Salesperson's Temporary License, Investigative File I-22-101

This hearing was continued until August 18, 2022.

Alabama Real Estate Commission VS. Alecia Alexandria Cockrell, Formal Complaint No. 3600

General Counsel Starla Leverette advised Commissioners that Ms. Cockrell submitted an executed Not Appearing Waiver and entered a guilty plea. The facts of the case were presented.

Alecia Alexandria Cockrell, Salesperson, Bessemer, Alabama was charged with violating the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(16) for 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.

Upon discussion of the evidence presented in the matter, Commissioner Smith made a motion to accept Ms. Cockrell's guilty plea. Commissioner Echols seconded the motion and it passed unanimously 7-0. Commissioner Tucker Smith made a motion to fine her \$100. Commissioner Harris seconded the motion and it passed unanimously 7-0.

Alabama Real Estate Commission VS. Gregory Brian Comer, Formal Complaint No. 3583

This hearing was continued until July 21, 2022.

Alabama Real Estate Commission VS. Shannon Stough Baker, Formal Complaint No. 3601

General Counsel Starla Leverette advised Commissioners this Formal Complaint was dismissed. Respondent provided documentation letter from her bank accepting responsibility.

Roger DeWayne Sanders, Application for Determination of Licensing Eligibility, Investigative File I-22-182

Upon discussion of the evidence and testimony presented in the matter regarding Mr. Sanders' application for determination of licensing eligibility, Vice Chairman May made a motion to deny his application. Commissioner Harris seconded the motion and it passed unanimously 7-0.

HEARINGS – 10:30 DOCKET

Alabama Real Estate Commission VS. Letitia Renee Norwood, Formal Complaint No. 3602

General Counsel Starla Leverette advised Commissioners that Ms. Norwood submitted an executed Not Appearing Waiver and entered a guilty plea. The facts of the case were presented.

Letitia Renee Norwood, Salesperson, Semmes, Alabama was charged with violating the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(16) for 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.

Upon discussion of the evidence presented in the matter, Vice Chairman May made a motion to accept Ms. Norwood's guilty plea. Commissioner Harris seconded the motion and it passed unanimously 7-0. Vice Chairman May made a motion to not impose a fine. Commissioner Echols seconded the motion and it passed unanimously 7-0.

Alabama Real Estate Commission VS. Katherine Mae (Katie) Clausheide, Formal Complaint No. 3603

General Counsel Starla Leverette advised Commissioners that Ms. Clausheide submitted an executed Not Appearing Waiver and entered a guilty plea. The facts of the case were presented.

Katherine Mae (Katie) Clausheide, Temporary Salesperson, Mobile, Alabama was charged with violating the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(16) for 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.

Upon discussion of the evidence presented in the matter, Commissioner Smith made a motion to accept Ms. Claudheide's guilty plea. Commissioner Harris seconded the motion and it passed unanimously 7-0. Commissioner Tucker Smith made a motion to fine her \$350. Commissioner Campbell seconded the motion and it passed unanimously 7-0.

Alabama Real Estate Commission VS. Lisa Michelle White AND M and M Realty, Formal Complaint No. 3604

Lisa Michelle White, Qualifying Broker, Opelika, Alabama and M and M Realty, Auburn, Alabama were charged with violating the *Code of Alabama* 1975, as amended, Section 34-27-36(a)(29) in her position as qualifying broker and the real estate company by failing within a reasonable time to provide information requested by the Commission during an investigation or after a formal complaint has been filed.

Upon discussion of the evidence presented in the matter, Commissioner Smith made a motion to find Lisa Michelle White guilty. Vice Chairman May seconded the motion and it passed unanimously 7-0. Commissioner Harris made a motion to find M and M Realty guilty. Commissioner Campbell seconded the motion and it passed unanimously 7-0. Commissioner Smith made a motion to fine Lisa Michelle White \$2,500 and revoke her license. Commissioner Echols seconded the motion and it passed unanimously 7-0. Commissioner Campbell made a motion to fine M and M Realty \$2,500 and revoke the license. Commissioner Harris seconded the motion and it passed unanimously 7-0.

Alabama Real Estate Commission VS. Kylie Nicole Myers, Formal Complaint No. 3571

This hearing was continued until October 13, 2022.

NOT APPEARINGS

None

At 11:00 a.m. Hearing Officer Jim Hampton advised Chairman Barran that the 9:30 a.m. and 10:30 a.m. dockets and Not Appearings requests were concluded. Considering that the 9:30 and 10:30 dockets and Not Appearings requests were complete, Chairman Barran asked for a motion to stay in Open Session or go into Executive Session for approximately 20 minutes to deliberate these cases in accordance with the Alabama Open Meetings Act, *Code of Alabama* 36-

25A-7(a)(9). Commissioner Campbell made a motion that Commissioners go into Executive Session in accordance with the Alabama Open Meetings Act, *Code of Alabama* 36-25A-7(a)(9) for approximately 20 minutes. Vice Chairman May seconded the motion and it passed unanimously 7-0.

At 11:22 a.m. Commissioners returned with all Commissioners named during the initial 9:00 a.m. roll call present. Chairman Barran asked for a motion to return to Open Session. Commissioner Tucker Smith made a motion to return to Open Session. Commissioner Vice Chairman May seconded the motion and it passed unanimously 7-0.

Confirm August Meeting Date and Location for the Record: August 18, 2022, 9:00 a.m. in Montgomery, Alabama.

Vice Chairman May made a motion to confirm the August meeting for August 18, 2022, at 9:00 a.m. in Montgomery, Alabama. Commissioner Campbell seconded the motion and it passed unanimously 7-0.

Next Commission Meeting: Thursday, July 21, 2022, 9:00 a.m. in Montgomery.

There being no further business, Vice Chairman May made a motion to adjourn the meeting at 11:30 a.m. Commissioner Echols seconded the motion and it passed unanimously 7-0.

Done this 23rd day of June 2022.

Emmette Barran, Chairman

Barbi Lee, Recording Secretary