

## MINUTES

A meeting of the Alabama Real Estate Commission was held May 22, 2014 at the offices of the Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama.

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

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, IT Systems Specialist Steven Brown, and Licensing Assistant Gini Ingram.

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

Commissioner Buford made a motion to approve the minutes from the April 23, 2014 meeting. Commissioner Sharp seconded the motion and it passed unanimously 7-0.

Executive Director Patricia Anderson presented the financial report. Expenditures and revenues remain under projection. Of \$47,000 in revenue that has been received as cash during the month of April, \$38,000 was from license transfers, original licenses and temporary licenses. This is a reflection of improvements in the economy. There was a \$25,000 payout from the Recovery Fund, leaving a balance of about \$925,000. There is a possibility that there will be \$200,000 in future payouts based on pending cases.

Ms. Anderson explained that the Education Division is reviewing the increasingly low percentage of students who are passing the licensing examination. The proposed rule amendments are designed to address this issue, specifically the change to 790-X-1-.06(g) which will require instructors to give incremental assessments to students prior to the final examination.

Ms. Anderson introduced Gini Ingram, the new Commission team member in the Licensing Division. Ms. Ingram, who transferred from the Secretary of State's office, previously worked at the Commission as a temporary employee in Licensing. She will replace long-time employee Rose Stephens who will retire effective July 1, 2014 after 37 years with the Commission.

Commissioners received information on the 2014 Alabama Association of REALTORS® (AAR) Summer Meeting that is scheduled for June 8-11 in Destin, Florida. Lori Moneyham will register Commissioners for the meeting and submit out-of-state travel requests to the

Governor's office. The Commission Open Forum will be held on June 11, 8:30 a.m., at the AAR Summer Meeting. Vice Chairman Wright asked Commissioners to send forum discussion topics to Ms. Anderson so that an agenda may be created.

A public hearing was held on Rules 790-X-1-.06, 790-X-1-.07, 790-X-1-.08, 790-X-1-.09, 790-X-1-.17 and 790-X-1-.18. There were no questions or comments from members of the public or Commissioners regarding the changes to these rules.

General Counsel Chris Booth provided an update on the appeals cases. He will keep Commissioners advised of further action regarding these cases.

Commissioner Cawthon made a motion that Commissioners conduct hearing disposition discussions and decisions in open meeting. Commissioner Miller seconded the motion and it passed unanimously 7-0.

## HEARINGS

### **Alabama Real Estate Commission vs. Alonzo L. McCants and Five Star Property and Development LLC, Formal Complaint No. 3334**

Upon discussion of the evidence and testimony presented in the matter of Alonzo L. McCants, Associate Broker, Five Star Property and Development LLC, Mobile, Alabama, and the alleged violations of the *Code of Alabama* 1975, as amended, Count 1: Section 34-27-36(a)(23)(a) by having entered a plea of guilty or nolo contendere to, or having been found guilty of, or convicted of a felony or a crime involving moral turpitude; Count 2: Section 34-27-36(a)(26) by conducting which constitutes or demonstrates dishonest dealings, bad faith or untrustworthiness in that Respondent's representation of and failure to disclose to a consumer (Buyer) that Respondent McCants was suspended by HUD from participating in any procurement and non-procurement transactions (including real estate activities) with HUD (including activities involving FHA loans); Commissioner Cawthon made a motion to accept the surrender of Mr. McCants' license. Commissioner Miller seconded the motion and it passed unanimously 7-0. Commissioner Sharp made a motion to dismiss Five Star Property and Development LLC from the complaint. Commissioner Riggins-Allen seconded the motion and it passed unanimously 7-0.

### **Alabama Real Estate Commission vs. Jessica Escott, Formal Complaint No. 3331**

Upon discussion of the evidence and testimony presented in the matter of Jessica Escott, Inactive Salesperson, Birmingham, 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, through Alabama Interactive, as payment for a fee or fine, an electronic check payment in the amount of \$325 which was returned unpaid by the bank upon which it was drawn, Commissioner Riggins-Allen made a motion to find Ms. Escott guilty. Commissioner Buford seconded the motion and it passed unanimously 7-0. Commissioner Riggins-Allen made

a motion to fine Ms. Escott \$250. Commissioner Buford seconded the motion and it passed 5-2 with Commissioners Sharp and Cawthon voting against the motion.

**Alabama Real Estate Commission vs. Randall D. Hilsman, Formal Complaint No. 3340**

Upon discussion of the evidence and testimony presented in the matter of Randall D. Hilsman, Salesperson, Gulf Shores, Alabama, and the alleged violation of the *Code of Alabama* 1975, as amended, Count 1: Section 34-27-36(a)(19) in that Respondent failed 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; Count 2: Section 34-27-36(a)(19) in that Respondent failed 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 was required, without it being properly licensed; Commissioner Cawthon made a motion to find Mr. Hilsman guilty on Count 1 and revoke his license. Commissioner Miller seconded the motion and it passed 6-1 with Commissioner Sharp voting against the motion. Commissioner Cawthon made a motion to find Mr. Hilsman guilty on Count 2, revoke his license and order Bama Beach Front Rentals to cease and desist operation. Commissioner Buford seconded the motion and it passed 5-2 with Commissioners Sharp and Harrison voting against the motion.

**Christopher Allen Needham, Application for Determination of Licensing Eligibility, I-14,295**

Upon discussion of Mr. Needham's eligibility for licensure, Commissioner Sharp made a motion to approve his application. Commissioner Riggins-Allen seconded the motion and it passed unanimously 7-0.

**Jason Scott Hale, Request to Have Temporary Salesperson's License Issued, I-14,303**

Upon discussion of Mr. Hale's request to have a temporary salesperson's license issued, Commissioner Buford made a motion to approve Mr. Hale's request. Commissioner Sharp seconded the motion and it passed unanimously 7-0.

**NOT APPEARING ITEMS FOR RULING**

**Ralph J. Wright, Surrender of License (Formal Complaint No. 3341)**

Upon review of the affidavit of license surrender submitted by Mr. Wright, Commissioner Buford made a motion to accept his surrender. Commissioner Harrison seconded the motion and it passed unanimously 7-0.

**Confirm Next Meeting Date and Location for the Record: June 19, 2014, 9:00 a.m.**

Commissioner Buford made a motion to approve the next Commission meeting date and location for June 19, 2014 at 9:00 a.m. in Montgomery. Commissioner Riggins-Allen seconded the motion and it passed unanimously 7-0.

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

Done this 22<sup>nd</sup> day of May, 2014.

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Nancy Wright, Vice Chairman

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Lori Moneyham, Recording Secretary