

Tennessee Department of Commerce and Insurance

# Real Estate

## news-journal

Volume 52

An Official Publication of the Tennessee Real Estate Commission

Spring/Summer 2013

### In This Edition

License Suspension.....	1
Fingerprinting .....	1
TREC Has Moved.....	1
New Rules .....	1
Virtual Offices .....	2
Public Awareness of Unlicensed Activity .....	2
Firm Transfer & Change of Address ..	3
E&O Penalties .....	4
TREC Statistics .....	7

## AUTOMATIC SUSPENSION, PUBLIC ACT 84

EFFECTIVE  
JULY 1, 2013

(Click image to access)



State of Tennessee  
PUBLIC CHAPTER NO. 84

SENATE BILL NO. 646

By Tracy, Ketron

Substituted for: House Bill No. 133

By Lundberg

## FINGERPRINTING FOR INITIAL LICENSE, PUBLIC ACT 420

EFFECTIVE

JANUARY 1, 2014

(Click image to access)



State of Tennessee  
PUBLIC CHAPTER NO. 420

SENATE BILL NO. 942

By Southerland

Substituted for: House Bill No. 944

By Ryan Williams, Sargent

## NEW TREC RULES

(Click image to access)

**TREC Rules,  
Effective  
March 3, 2013**

## NEW VLS RULES

(Click image to access)

**VLS Rules,  
Effective  
June 2, 2013**

### TREC's New Office

TREC moved back to the Davy Crockett Tower's 4th floor May 8, 2013. In its early years, TREC was located on the 1st floor of Davy Crockett and until recently was located in the Andrew Johnson Tower. The mailing address and physical address are now the same as well as the mainline phone numbers. All licensing needs are centralized at the Davy Crockett Tower such as

licensing business, paying penalty and fees and attendance at a Commission meeting when held in Nashville.



Sign up today to receive e-mail or text notifications on New or Amended Statutes - New or Updated Rules - Changes to Fees - Rulemaking Hearings related to Fees - Significant Changes Impacting Your License - Changes to Policies  
[http://www.tn.gov/notify-app/sign\\_up.html?agencyId=3](http://www.tn.gov/notify-app/sign_up.html?agencyId=3)

## Virtual Offices and Electronic Records

Under current statute, Tennessee requires that every firm have a fixed location with adequate facilities for affiliated licensees. The firm office must conform to local zoning laws and ordinances and must have a sign on the outside of the firm. If zoning laws and ordinances do not permit a sign, then the office will not be approved by TREC. Therefore, licensed firms can be located in a licensee's home or in a space for a specific number of hours per week or month as well as a conference room on an as needed basis. Signage must be displayed to allow TREC or the public to find a real estate office. For firms that operate in a residence, a sign can be as small as a notecard with the TREC required information written on it. If you plan to establish your firm office in your home check local, municipal and HOA provisions to confirm a business operation is permitted as well as a sign. Firms may not operate an office in more than

one location. Any additional office, regardless of the frequency of use would be deemed a branch office requiring a Principal Broker's license. Firms that operate inside a building are permitted to use an interior directory.

If a firm maintains an actual physical address with proper signage and complies with zoning laws and ordinances it will meet the initial firm requirements found in TCA § 62-13-309(a)(1)(A). The records must also be readily available. TREC adopted a policy statement 2012 CPS-009 on October 12, 2012 that states all documents required to be retained must be readily accessible in an organized format providing ease in document identification within twenty-four (24) hours of any request for inspection by representatives of the Tennessee Real Estate Commission (TREC). The principal broker of all real estate firms which use electronic recordkeeping methods must develop and utilize a retention schedule which safeguards the security, authenticity, and accuracy of the records for the entire required retention period and which also provides for the use of technology and hardware which ensures the accessibility of records in a readable format. These conditions are pursuant to T.C.A. §62-13-312(B)(6).

### Unlicensed Activity

During the February 2013 TREC meeting, the Commission discussed a plan of action to notify the public of the issue of unlicensed activity and to instruct the public on how they could be equipped with resources to protect themselves from potential harm. The Commission invited Gary Cordell, Director of Tennessee Division of Consumer Affairs, to discuss a future awareness campaign. This campaign would make use of information supplied by TREC with the Consumer Affairs Division's current multimedia and public service announcements.

Always verify that the person has a license. By visiting [verify.tn.gov](http://verify.tn.gov), a licensee's status with TREC can be discovered. Limited input into the search field is the best method so you are encouraged to search by a first or last name. If available, search by a license number for a limited return of results. This license verification search tool makes use of the Department of Commerce and Insurance Regulatory Boards databases so make sure you see "real estate" listed as the profession as some names or license numbers could be duplicated by other Regulatory Boards.

You can assist TREC's efforts by always keeping a current wallet card with you that is supplied with your wall license and do not hesitate to contact TREC should there be an issue that needs proper attention.

### — DISCIPLINARY ACTION REPORT —

The list of all disciplinary actions taken by the Commission can be found online under the Disciplinary Action Report Link. This link is found under the Quick Links section on the TREC Website [www.tn.gov/regboards/trec](http://www.tn.gov/regboards/trec). The list is updated monthly and reflects the regulatory boards alphabetically.

## BIOGRAPHY

### Amy Mayfield Bio

TREC welcomes Amy Mayfield. She is the vibrant, energetic person who usually answers the phone when you call TREC. Amy comes to

TREC as a former licensee and with 12 years of banking experience. She is a graduate of Dickson County High School and a student at Nashville State Community College. Amy is a mother of identical twin girls and is active with the National Society of Leadership and Success, The Nashville Rescue Mission and Hands on Nashville.



## POLICY ON ONLINE TRANSFERS OF FIRM AFFILIATION

Adopted by the Commission March 6, 2013 Policy Statement number 2013-CPS-001 states:

“With regard to firm transfer requests which are completed online, the Commission recognizes the transfer of an affiliated licensee to a new firm as having been completed at the time that said transfer request is completed online and the transfer confirmation is printed only if the following conditions are met:

1. Prior to the submission of the online transfer request, the principal broker who is receiving the affiliated licensee into his or her firm has verified that the affiliated licensee has an active Tennessee license and current errors and omissions insurance; and
2. A completed and signed TREC 1

form is submitted to the Commission within five (5) business days of the date of the online transfer request.”

In order to facilitate this procedure, The Commission with the assistance of the Department of Commerce and Insurance has developed a way to change your firm affiliation online. The address is <https://apps.tn.gov/ciupdates>.

### To Transfer Online:

1. The new Principal Broker will need to register online to create an account.
2. The transferring licensee will need to get the new Principal Broker to complete the online transfer.
3. The fee shall be paid by the firm

and Principal Broker on file with TREC.

4. The new Principal Broker will need the licensee number of the firm and the transferring licensee in order to complete the transaction.
5. Confirmation will be sent via email.
6. An original of the fully executed TREC 1 Form must be sent to TREC by post or courier service within (5) business days of the date of the online submission.
7. The transfer of the affiliated licensee shall be deemed invalid after the 5th business day of the online transfer should TREC not receive the original form and the affiliate shall be placed in broker release status.

## TREC FINDINGS

The complaint submitted to the Commission you are about to read was read into the record and considered by the Commission as a part of the legal report during the April 2013 TREC Meeting. The Commission hears a number of complaints monthly at a scheduled business meeting. The complaint you are about to read was presented and the decision of the Commission included.

“Any consent order authorized by the Commission should be signed by Respondent and returned within thirty (30) days. If said consent order is not signed and returned within the allotted time, the matter may proceed to a formal hearing.”

**Complaint #2012025731**

Complainant was the seller of a home, and Respondent (affiliate broker) represented the buyers who purchased the home. Complainant states that, after the house went under contract and after the home inspection had been completed, Complainant heard banging on Complainant’s roof and discovered Respondent and another individual on the roof unannounced, and Complainant states that Respondent should have notified Complainant or Complainant’s broker that this would be done. Secondly, Complainant states that three (3) days before closing, Respondent did the final walkthrough with the buyers, and, at that time, Respondent gave the buyers a key to the home from the lockbox. Third, Complainant states that two (2) days before closing, Complainant gave permission for Respondent to allow an electrician in the home, and, an hour later, Complainant discovered the electrician and the buyers in the home without Respondent present. Fourth,

Complainant states that, shortly before closing, Respondent asked Complainant to sign a revised Repair Counter Proposal from Complainant to the Buyer Inspection Contingency Removal/ Notification. The original Repair Counter Proposal from Complainant stated that Complainant would provide an allowance of a sum of money to buyers in lieu of repairs in the form of closing costs and pre-pays at closing. Complainant states that Respondent told Complainant’s broker that there would be problems with processing the buyers’ loan if Complainant did not sign a revised Repair Counter Proposal which provided for the same allowance of money in the form of closing costs and pre-pays at closing but eliminated the repair reference, which Complainant states that Complainant felt forced to sign. Fifth, Complainant states that on the day before closing, Complainant



# E & O Penalties

The Commission's mission is to protect the public and to enforce the Broker's Act and the statutory requirement that all licensees purchase and maintain E & O insurance which meets or exceeds the minimum requirements established by the Commission. As of July 1, 2013, the

Commission's records reflect that the licenses of the following individuals were suspended because they had not provided evidence of errors and omissions insurance coverage that complies with the required terms and conditions of coverage to the Commission, as required by § 62-13-112 and Tenn. Comp. R. & Regs. 1260-1-.15 and, therefore, the licenses of

these individuals were suspended on that date as mandated by Public Chapter No. 84. The Tennessee Real Estate Commission will make future lists available in every edition of the *News-Journal*. The aforementioned allegations have not been adjudicated and some licenses suspended July 1, 2013 have since provided proof of E&O coverage.

ROBERT "BOBBY" WRIGHT	294380	TN	JOHN B BRADLEY JR.	271368	TN	LARRY LAMARR LAKINS II	324516	NC	LESLIE SAMUEL MATTHEWS	325415	GA	BONNIE JEAN DANIEL	305964	TN
ALESIA GAIL PARKER	309536	KY	JOHN FREDERICK BRUCKEL	324220	NC	MARTIN E. LEDERMAN	313240	TN	LINDSEY DEAN LACEY	294306	NC	BRENDA RUMMAGE REED	304124	TN
ALLEN KIRBY CROWDER	325006	TN	JOHN H. STIDHAM JR.	322041	TN	NETTA SUE MCKNIGHT	24783	NC	LUKE A WILLIAMS	306611	KY	BRIAN PAUL BIRD	317857	GA
ANDREA YOLIMA MORENO	325102	TN	JUSTIN DONALD ALBRIGHT	300703	TN	PAUL K THOMPSON	208469	TN	LYNDA HOUCK	251898	KY	BRITTANY MICHELLE SIMONELIC	300293	TN
ANGELA SMILEY-YELVINGTON	321123	TN	KAMILAH CHIVAR BROWN	308955	TN	RAYMOND BRACKY ROGERS	239711	NC	M. MICHAEL NIXON	267151	TN	CAITLIN MICHAL SHLOUSH	323586	TN
ANN H JORDAN	297725	TN	KATHY J. HOOTEN	261678	TN	THOMAS JOHN KARRAS	313321	CA	MARC STEVEN POLLACK	325577	GA	CAPPI LOVE	201480	TN
APRIL BISHOP HOBBS	298177	TN	KIM M KELLEY	298739	TN	W. MEAD SILSBEE III	303316	AL	MARK C BUNCH	208352	TN	CHARLES RANDALL PEPIN	323713	TN
ART W. CROUCH	285156	TN	LARRY JOE TURNER	272428	TN	WILBERT SAIN	218136	TN	MARY MELISSA SEALES	323756	FL	CLAYTON "CLAY" DAVIS	292484	TN
BEN TRUEX	280332	TN	LIANNE K. ROLLINS	216684	TN	WILSON P BURTON JR	223314	TN	MATTHEW DONALD MESSIER	291312	FL	CLINT MORRIS REED	316968	TN
BETTY H BURKE	55005	TN	LISA K. BURKS	259272	TN	B. KEVIN GREEN	292646	TN	MAYRA C. SALGUERO	282290	GA	CLYDE "BUTCH" WELDON DOWNS	276406	TN
BOBBIE DALE DREW	301420	MS	LUCI WATSON BATT	319972	AL	BARBARA D CAMPBELL	297067	KY	MICHAEL TOBIN NEWMAN	324133	MS	COREY EUGENE BLAKE	324421	TN
BRENDA GAYLE POOLE	300211	TN	MARK ROBERT JAMES	318099	MS	BEN M CURLIN	207143	TN	RICHARD D. RUTHVEN	324185	GA	CORKETA MARTIN	307903	TN
BRENDA STEWART	255447	TN	MARTIN S SMITH	303320	AL	BENJAMIN "BEN" BATES PAYNE	316147	KY	ROBERT "BOB" JOSEPH PREJEAN	320434	NC	CYNTHIA "CINDY" ANN CROTTY	314702	TN
BRUCE T. BODOR	254070	TN	MATTHEW TYLER OVERBY	325553	TN	BILL R. NORRIS	286659	FL	ROBERT "BOB" R. SNOW	271548	KY	CYNTHIA DAWN RIDER	287351	TN
BRYAN R. HARMON	279147	TN	MELODY ANNETTE HOWELL	308230	TN	BRANDON EMERSON WEBSTER	320552	AL	ROBERT R JOLLY JR	303315	AL	CYNTHIA L THOMAS	236190	TN
CAMELIA H. DAVIS	254890	TN	MIAMI LYNNE TRENT	323876	TN	BRENDA JO PRITCHARD	323483	FL	RONALD RYAN HOLMES	313903	GA	DANIEL HENLEY	81389	TN
CARLA BEA CANTRELL	313936	TN	MICHAEL L. RAY	269642	TN	BRIAN DAVID FORD	324499	NC	ROSE A. SHORE	16159	TN	DANIEL EDWARD ALEXANDER	294814	TN
CARLA M MATHIS	256358	TN	MICHELLE LYNN MONTGOMERY	306503	TN	CAMERON "BROOKS" BOLTON	269385	TN	SAM EPSTEIN	56361	TN	DANNY L RYAN	300389	VA
CHARLES VICTOR DOUGLAS	320444	TN	MELLY JOANNA PHILLIPS	316108	TN	CECILIA "ZSA" A. ROCKEY	300949	TN	SHELLEY J. THOMAS-SEARS	284082	GA	DARRELL GLENN BROWN	312073	TN
CHRISTEN BURKHOLDER	254346	VA	NEAL A. DOUTHIT	287360	AL	CHARLES STOWER ROACH JR	303666	GA	SONJA D. STEPHENSON	264177	TN	DAVID A. MILLER	325317	TN
CHRISTI ANN SHEPHERD	325982	TN	PAUL DANIEL HICKS	324249	TN	CHASITY D DEARMOND	295036	TN	STANLEY B BROWN	24253	TN	DAVID CANNON	286216	TN
CONRAD M COX	296975	TN	PHILIP TODD MASON	296290	TN	CHERYL A WILKERSON	293013	TN	TABETHA HORTON	274850	TN	DAVID COLBY	273795	TN
CRYSTAL MICHELLE TURNER	321163	TN	RAYMOND DERRICK GUERRA	324855	TN	CHRISTINA E HASAMEAR	315448	TN	TINA KATHY HALL	315288	GA	DAVID DELANO FLIPPO	323606	TN
DARICK "RICK" TERRY	282304	TN	ROBERT "BOB" I. ROBERS	320482	GA	CHRISTOPHER VANDERGRIF	325244	AL	TODD JEFFREY EMERSON	322607	GA	DAVID L. BARNHART	258784	GA
DARYL L. DREW	302161	TN	ROBERT MATTHEW ZALUCKI	325225	TN	CINDY A. JASPER	253334	TN	W. TURNER ASKEW	50125	TN	DAVID NELSON	289133	TN
DAVID W SMITH	324608	TN	ROBERT H. CHILTON III	231460	TN	COLLIN M. ELLINGSON	271760	TN	WALLER "WALLY" REECE	236324	TN	DEBORAH MARTIN	324400	TN
DERRICK A CALKIN	314648	TN	ROGER DALE REDIKER	315810	TN	CONSTANCE CONNIE J. MITCHELL	252686	TN	WATSON ANDERSON	205679	TN	DEBRA BERNITA PRESTON	324463	TN
DIANA S. EDGE	261633	TN	ROY LE PHAM	304141	TN	CYNTHIA "CINDY" L. HIGHTOWER	320138	AL	WILLIAM "BO" GRIFFIN BARRON II	312706	KY	DEBRA S. KROPCZYNSKI	267326	TN
DIANE M. DELEU-KOLOPANAS	271871	TN	ROY GLENN JOHNSON JR	325330	GA	DAVID HARRISON JOHNSON	294746	TN	WILLIAM JOHN BARNES	294386	VA	DESIREE SIMONE COOPER	320341	TN
DONNA MARIE HENNINGER	325228	TN	SANDRA "BRENT" LEE PARRY	315259	TN	DENISE ANN ELLIOTT	324889	TN	ZACHARY "ZACH" MARK JAMES	322619	NC	DOMINIQUE PRYOR ANDERSON	306424	TN
EDWARD BRASWELL BALDWIN III	324106	TN	SANDRA L. WHEELER	266472	TN	DEWITT FRANK MULLINS	256280	GA	CHASE H. TIPTON	324978	TN	DONALD "DON" L. OSTRANDER JR	303799	TN
ELDON L. WIMBERLY	221820	TN	SARAH CROCKER WHRITENOUR	321311	GA	DWAYNE LEE RICHARDSON	325467	GA	GREG B. FRAZIER	279763	GA	DONALD KYLE CAVIN	323789	GA
ELEANOR "ELLIE" MARY ECK	324402	GA	SEAN D. STEPHENS	275945	TN	FRED GARY EASON	322669	AR	RICHARD "RICK" L ADRIAN	283073	TN	DONNA D. HARDEN	300894	TN
ELIZABETH "LIZ" ANN DAVIS	305365	TN	SHARON DENISE JETER	325643	AR	GEORGE LIST COOPER	315225	TN	MICHAEL BRETT FITZ	321483	TN	DOREL ANTIMIE	280604	TN
ELIZABETH R AYCOCK	297077	NC	STEVEN "STEVE" E SHRUM	231222	TN	GORDON T. HOWELL	273504	KY	AARON STORY	299237	TN	DUSTIN WADE BREEDEN	323838	TN
GARNET M. EVERSOLE	286651	KY	STEVEN E. NICLEY	261149	TN	IZAAC MERRIWEATHER JR	283586	TN	ADAM S BRYAN	300604	TN	ELSA MICHELLE GARRETT	323821	TN
GARY LEE MOSLEY	324063	TN	SUSAN PETERSEN	287910	TN	JAMES A. BUCK JR.	323548	MO	ALEXANDER "ALEX" B. ROBINSON	323587	TN	ELSA S. MORRIS	207605	TN
GINA DAVIS TURMAN	289531	TN	TAMMY TAYLOR DOUGLAS	325550	TN	JAMES WESLEY "TUFFY" RUSSELL	324845	GA	AMANDA K. VIOLA KORBY	323942	TN	ELSIE MEI WANG	294539	TN
GRETTA YVETTE BRYANT	303048	TN	TARAH ADKINS WEBBER	321029	TN	JANIS J. BREWER	248248	TN	AMANDA LEE KNOX	320274	TN	ERIC JOHN BARRETT	276718	TN
HANNAH REED SLEEPER	325554	TN	TASHA VALENTINE KESTERSON	316828	TN	JENNIFER KUHN MCAFEE	320020	GA	AME AUTUM SOMIRS	324389	TN	ERNEST PALMER IV	291211	TN
HELENA ANN MARIA MATHEWS	324045	TN	TIFANY LEAH BELL	294780	TN	JERRY CRAIG KING	279785	AL	AMY FAITH SCHOFIELD	265665	TN	EVETTE YVONNE DUPREE	301014	TN
HUGH GUTHRIE	276932	MS	VALERIE WICK KOEHLER	315715	TN	JERRY DELAND BEACHAM	323424	GA	AMY M. MEYER	291485	TN	F. RICHARD MESSINGER	285596	TN
J. A. "TREY" HAYDEN III	242956	TN	VICTOR B. KING	253679	TN	JOHN A MEESE	8069	TN	AMY SMITH	288075	TN	FLOYD BLAIR NATHAN	320617	TN
JACKSON "JACK" DALE THOMAS	324290	TN	WENDY JO WELCH	324784	GA	JOHN A. BLACK	261517	TN	ANDRE TERRELL WILLIAMSON	303955	TN	FRANK J GUSMUS	298691	TN
JAMES EARL HICKS	298881	TN	WILLIAM "BILL" EDWIN PALASKI	318937	FL	JOSEPH M. BEGLEY	256009	TN	ANDREA LEA MINFORD	319736	TN	FREDERICK "FRED" LEE JONES	317529	TN
JAMES L CRAWFORD	205409	TN	WILLIAM BUNCH CLEMENTS	303318	AL	JOSEPH WILLIAM LAUF	318776	TN	ANGELA REED	299330	MS	FREDERICK JOSEPH ROSKOP	320626	TN
JAMES T. NIX	256209	TN	AUSTIN BRYANT GREEN	324498	NC	JULIA S. EGGERS	258533	TN	ANGELA S. MORGAN	262429	TN	GAIL LYNN HENRY	300322	TN
JAMES'S JIM" EDWARD TATE JR	312125	KY	CHERYL LEA JOHNSTON	325009	GA	JULIE MARIE HUGHES	325008	GA	ANTHONY T MORRISON	303383	TN	GARY D. YODER	267690	TN
JAMIE ELIZABETH ABERCROMBIE	323383	GA	CHRISTOPHER N. CLABOUGH	259512	TN	KAREN ANN CARTER	325350	AR	ASHLEY DAWN CULBERTSON	324529	VA	GENEVA ELIZABETH WATSON	324688	TN
JEFF T PHIFER	295546	TN	DEBBIE A VIER	325888	KY	KATHY JO KELLY-JACOBS	318009	GA	BEN W GARY	6856	TN	GINA DAWN PHILLIPS	323982	TN
JEROMIE "JAY" J. HUTCHISON	323852	TN	JAMES "J.L." LEWIS FORKE	324345	TN	KENNETH E BYRD	252878	KY	BENJAMIN "BEN" C. COOK	303251	TN	GREGORY MICHAEL WILLIAMS	302192	TN
JERRY L. TURNEY	280251	TN	JAMES BRIAN MAY	306554	TN	KRYSTAL DAWN KIRKMAN	314943	KY	BENJAMIN J. ADAMS	273979	TN			
JESSICA JOANNE HOLLY	321158	TN	KAREN J. MANSEL	255099	TN	LANCE A BEATY	302337	AR	BIWEN "BRYAN" DONG	325088	TN			



Penalties ...cont.

Table with 4 columns: Name, License Number, State, and Name. Lists various individuals and their associated license numbers and states.

# 2013 Commission Schedule

You are encouraged to attend a monthly TREC meeting to not only learn how business of TREC is handled but to also receive (8) eight hours of CE at no charge. If you are interested in attending or would like more information, contact Betsy Bowman at [betsy.bowman@tn.gov](mailto:betsy.bowman@tn.gov). Please continue to check the TREC Homepage for any adjustments to this schedule. All meetings begin at 9:00 a.m. at location's local time.

- August 7 – 8, 2013 Nashville\*
- September 11 – 12, 2013 Nashville\*
- October 10 – 11, 2013 Farragut
- November 6 – 7, 2013 Nashville\*
- December 4 – 5, 2013 Nashville\*

\*Room 1A, Davy Crockett Tower  
500 James Robertson Parkway  
Nashville, Tennessee 37243

# TREC TIPS

- The Code of Ethics course is a requirement for the National Association of REALTORS® and not TREC. Not all Ethics courses are approved for TREC Credit
- Mail is not forwarded from TREC. Inform TREC of any address change by completing a TREC Form 1
- Funds in escrow must be dispersed or interplead within twenty-one (21) calendar days from the date of receipt of a written request for disbursement of earnest money
- Preserve all of your real estate files for at least (3) years from date transaction closed or terminated
- To check your education online, visit <http://verify.tn.gov/>
- Every licensee has their own personal expiry date
- You will owe (16) hours of CE every licensing period: (6) hour Mandatory TREC Core and (10) hours of elective education
- Office Broker Management is a pre-licensing course only
- TREC only recognizes an Active and Retired Status. Broker Release and Inactive are non-renewable license statuses
- A licensee has (10) days to answer a complaint received by the Commission
- A copy must be given of any listing, sale, lease or other contract relevant to a real estate transaction at the time of the execution of all signatories
- When Broker Released, you must affiliate with another firm or retire your license within ten (10) days; otherwise you face a civil penalty of at least \$250.00
- Always pick-up, sign for and read Certified Mail sent from TREC

## 2013 TREC Education Seminars

Pursuant to § 62-13-107, TREC is authorized to conduct clinics or seminars that are open to all licensees. TREC partners with local REALTOR® Association offices but these education events are open to all licensees and are at no charge. These seminars offer 2 hours of approved CE from TREC and will discuss TREC updates and important information from the Commission as well as a session by the E & O Insurance provider. Please make arrangements to attend by contacting an Association below that is closest to you.

August 15, 2013	10 am – 12 noon 1 pm – 3 pm	Central West Association of REALTORS®	Jackson	@ CWTAR® 9358 Old Humboldt Rd Jackson, TN 38305
August 16, 2013	10 am – 12 noon 1 pm – 3 pm	Memphis Area Association of REALTORS®	Memphis	@MAAR@ 6393 Poplar Memphis, TN 38187
October 8, 2013	1 pm – 3 pm	River Counties Association of REALTORS®	Cleveland	@tbd
October 9, 2013	10 am – 12 Noon	Great Smoky Mountains Association of REALTORS®	Sevierville	@ GSMAR® 1109 Glennhill Lane Sevierville, TN 37862

\*Times listed reflect the local time of that location.

**TREC Findings ...cont.**

discovered several items in the home including paint materials, clothing, and drinks in the home and the walls had primer and paint on them, which was done by the buyers before closing.

Respondent submitted a response addressing each of Complainant’s issues. First, as to the unannounced roof top visit, Respondent says that, after the inspection, a roofing sub-contractor met Respondent at the home and it appeared no one was home. Respondent states that once Respondent realized Complainant was home, Respondent spoke with her and apologized for the lack of notice. Secondly, Respondent states that the walkthrough was three (3) days before closing, and Complainant had already moved out. When the buyers asked for a key from the lockbox, Respondent admits that Respondent was

in error in providing the key and says this mistake will not happen again. Third, Respondent states that Respondent met the electrician and the buyers at the property so the buyers could get a bid, and Respondent admits leaving them alone at the home for about an hour while Respondent took care of business a few blocks away before returning. Fourth, as to the Repair Counter Proposal, Respondent states that it was Complainant’s broker’s responsibility to help Complainant understand that the buyer’s lender had made the request to simply remove the word “repair” so that it would move through underwriting more smoothly. Fifth, Respondent admits that the buyers started painting the day before closing since they had a key, but this was done without Respondent’s knowledge.

It appears that Respondent’s act of providing the house key to the buyers

several days before closing, which allowed the buyers to access the property and paint before closing, shows a lack of diligence on the part of Respondent.

**Recommendation: Consent Order for failing to diligently exercise reasonable skill and care in providing services to all parties to the transaction and failing to provide services to each party to the transaction with honesty and good faith in violation of T.C.A. § 62-13-312(b)(14) and § 62-13-403(1) and (4) with a civil penalty of \$500.00 plus attendance by Respondent at one (1) entire meeting of the Commission within one hundred eighty (180) days of Respondent’s execution of Consent Order.**

**DECISION: The Commission voted to accept the recommendation of Legal counsel.**

**Number of Licensees as of 6/28/2013**

Type	Active	Inactive	Retired	Broker Release*	Grand Total
People	23,656	1,207	8,454	526	33,843
Firms	3,841		224		4,065
<b>TOTALS</b>	<b>27,497</b>	<b>1,207</b>	<b>8,678</b>	<b>526</b>	<b>37,908</b>

\*Broker Released licensees are those usually in the process of transferring or going inactive/retired.

Timeshare Registrations Active	205
Licensed Acquisitions Agent Active	113
Vacation Lodging Service Active	125

**ADVERTISING INTERPRETATION**

During the July 2013 Commission meeting, the Commissioners interpreted T.C.A. § 62-13-310(b) as “Licensees may not post signs on any property advertising themselves as real estate agents unless the firm’s name appears thereon in letters the same size or larger than those spelling out the name of the licensee” as the agent name cannot be any larger than the smallest font of the company name on any sign which is on property (including billboards). This includes signs advertising agents, but not specific property.

**NOTIFICATION OF ADDRESS CHANGE and FIRM AFFILIATION**

Have you recently moved?? If yes, then TREC needs to know!! It is important to notify TREC of your change of address. We need this information because a growing number of licensees are not in constant contact with their firm. The process is fast and easy and of course **NO CHARGE!**

Visit <https://apps.tn.gov/ciupdates/> to complete the change online or from our home page under Forms and Downloads in the Quick Links Box. TREC will update your file. Make sure to provide all your information including your license number if using the TREC Form 1 option.

## ERRORS AND OMISSIONS COVERAGE IMPLICATIONS WHEN LISTING OR SELLING YOUR OWN PROPERTY

Prepared by Rice Insurance Services Company, LLC  
June 19, 2013

Many real estate errors and omissions (E&O) policies exclude coverage for claims involving property owned by the insured or someone connected to the insured. Historically, the Tennessee Real Estate Commission's (TREC's) E&O group policy excluded coverage for claims relating to property in which any of the following had more than a 25% ownership interest: an insured; insured's spouse; or any entity, partnership, or trust in which the insured or insured's spouse owned or controlled more than a 25% ownership or financial interest. The reason for this fairly standard exclusion is that the owner of the property may benefit from any negligence in the property's listing and sale. For example, a claim was made under the TREC's group policy against a licensee who sold property she owned. The buyers alleged misrepresentation of the condition of the fireplace, plumbing, and electrical system. As the seller of the property, the licensee benefited by receiving a higher purchase price than the buyer believed was justified, given the true condition of the property.

However, because many licensee list and sell their own homes, the TREC's group policy now automatically includes an endorsement that makes the policy apply to the sale or listing of the licensee's primary residence (a residential property of 2 units or less, which serves as the licensee's principal residence), provided the following conditions are met:

- i. prior to closing, a written home inspection was ordered and a copy provided to the buyer;
- ii. prior to closing, if required by law, a seller disclosure form was signed by the licensee and the buyer;
- iii. prior to closing, the licensee's ownership interest was disclosed and acknowledged by the buyer;
- iv. a state or local board approved sales contract was used; and

- v. the sale or listing is performed under and subject to the real estate license laws of Tennessee.

Additionally, licensees who purchase insurance through the TREC's group policy can also purchase an optional endorsement that makes the policy apply to the sale or listing of residential property (a single family residence or multi-family residences with 4 units of less) owned by the licensee; the licensee's spouse; or an entity, corporation, partnership or trust owned or controlled by the licensee or his/her spouse. The following conditions must be satisfied for the optional personal interest endorsement to apply:

- i. the residential property was owned for at least one hundred eighty (180) days by the licensee, the licensee's spouse, or any entity, corporation, partnership, or trust in which the licensee or licensee's spouse has or had a financial or ownership interest;
- ii. the property was not constructed or developed by the licensee; the licensee's spouse; or any entity, corporation, partnership, or trust in which the licensee or licensee's spouse has or had a financial or ownership interest;
- iii. prior to closing, a home warranty was purchased by or for the buyer;
- iv. prior to closing, if required by law, a seller disclosure form was signed by the buyer;
- v. prior to closing, the ownership or financial interest of the licensee and licensee's spouse in the residential property was disclosed to and acknowledged by the buyer;
- vi. a licensed inspector who was not related to or affiliated with the licensee issued a written home inspection report that the buyer acknowledged prior to closing;
- vii. a state or local board approved standard sales contract was used;

- viii. the sale or listing was performed under and subject to applicable real estate license law; and
- ix. prior to the effective date of this endorsement, no insured had a basis to believe that any negligent act, error or omission, or related negligent act, error, or omission might reasonably be expected to be the basis of a claim against the insured.

The TREC's group policy does not provide coverage for property developed or constructed by any of the following: an insured; insured's spouse; or any entity, partnership, or trust in which the insured or insured's spouse owned or controlled more than 15% financial interest. This exclusion is not impacted by the automatic primary residence endorsement or the optional residential personal interest endorsement. Licensees who develop or construct property (or who have a spouse or entity that develops or constructs property), may be interested in purchasing insurance that applies to their development and construction activities, as these are unlikely to be covered under their real estate licensee E&O insurance.

If you have questions about whether your insurance applies to transactions involving property in which you, your spouse, or your entity has an ownership interest, you may want to contact your insurance provider for additional information. If you are insured under the TREC's group policy issued by Continental Casualty Company, questions may be directed to the group policy administrator, Rice Insurance Services Company, LLC at 800-637-7319, extension 2, or [policyadministrator@risceo.com](mailto:policyadministrator@risceo.com). Nothing in this article changes the terms or conditions of the TREC's group policy or any other insurance policy.

Tennessee Real Estate Commission

**JUNE DISCIPLINARY ACTION & SUSPENSION REPORT**

**Respondent:** John A. Amaefula, Germantown, TN

**Violation:** Failure to specify a definite termination date to listing agreement and offer to purchase forms  
 Failure to diligently exercise reasonable skill and care  
 Failure to be loyal to the interests of the client

**Action:** \$3000 Civil Penalty  
 Complete six (6) hours on continuing education in contract writing and four (4) hours of ethics  
 Attend one regularly schedule two-day commission meeting

**Respondent:** Adrian A. Bond, Memphis, TN

**Violation:** Violating the terms of any lawful order entered by the commission; failure to comply with final order

**Action:** Revocation

**Respondent:** Cynthia “Cindy” K. Jacobsen, White House, TN

**Violation:** Failure to timely complete required education

**Action:** \$600 Civil Penalty

**Respondent:** Denice M. Lytle, Nashville, TN

**Violation:** Failure to be loyal to the interests of the client  
**Action:** \$500 Civil Penalty  
 Attend one regularly schedule two-day commission meeting

**Respondent:** Charles E. Moore, Memphis, TN

**Violation:** Making any substantial and willful misrepresentation  
 Making any promise of a character likely to influence, persuade or induce any person to enter into any contract or agreement when the licensee could not or did not intend to keep the promise  
 Pursuing a continued and flagrant course of misrepresentation or making of false promises through affiliates brokers, other persons, any

medium of advertising or otherwise  
 Failure within a reasonable time to remit monies belonging to others  
 Any conduct that constitutes improper, fraudulent or dishonest dealing  
 Violating the terms of any lawful order entered by the commission; failure to comply with final order

**Action:** Revocation

**Respondent:** Freda Joy Shaw, Dayton, TN

**Violation:** Failure to timely complete required education

**Action:** \$450 Civil Penalty

- Suspensions:** Benjamin G. Berry, Sevierville, TN  
 John A. Black, Memphis, TN  
 Bond, Memphis, TN  
 Frank D. Bulloch, Memphis, TN  
 Robert L. Craton, Smyrna, TN  
 Luis A. Del Mazo, Nashville, TN  
 Carl S. Edmondson, Jr., Goodlettsville, TN  
 Christopher A. Graves, Tazewell, TN  
 Michael C. Green, Pigeon Forge, TN  
 Joseph Lewis Herbert, II, Brentwood, TN  
 Gerald B. Martin, Smyrna, TN  
 Blain C. Matthews, Sevierville, TN  
 Davey B. Parker, Jackson, TN  
 Cowan Rodgers, IV, Sevierville, TN  
 Jeremy J. Saine, Dandridge, TN  
 Marcus E. Scott, Walland, TN  
 Ursula D. Seaton, Sevierville, TN  
 Dennis J. Senter, Brentwood, TN  
 Lance J. Simpson, Franklin, TN  
 Edwin Vicens, Brentwood, TN  
 Robert “Bryant” West, Nashville, TN  
 Shajuan Marsha White, Memphis, TN  
 Robert “Troy” T. Williams, Nashville, TN

### TREC Contact Information

(615) 741-2273 or (800) 342-4031

[www.tn.gov/regboards/trec/](http://www.tn.gov/regboards/trec/)

### PERSONNEL & AREAS OF RESPONSIBILITY

#### Administration

**Executive Director:**

Eve Maxwell

**Education Director:**

Stephen McDonald

**Legal:**

Julie Cropp

**Administrative Assistance:**

Amy Mayfield  
Betsy Bowman  
Kelly Hestand

**Office Manager:**

Dennis Hodges

**Board Meetings:**

Kelly Hestand

**Complaints:**

Conell House

**Licensing:**

Patricia Appleton  
Kim Dorris  
Gil Dyer  
Rachel Fowler  
Karen Patton  
Richard Thomas  
Kim Smith

**Reception & Records Management:**

Ken Spurlock  
Linda Wolfert

**Errors & Omissions Insurance:**

Contractor for 2013-2014  
Rice Insurance Services Company, LLC  
Phone: (888) 248-2444  
Fax: (502) 897-7174  
Web: [www.risceo.com](http://www.risceo.com)

**Editor/Chief:**

Stephen McDonald

### Department of Commerce and Insurance

COMMISSIONER: JULIE MIX MCPEAK

ASSISTANT COMMISSIONER: BILL GIANNINI

#### Members of the Commission

WILLIAM "BEAR" STEPHENSON, CHAIRMAN  
Clinton, TN

JOHN GRIESS, VICE CHAIRMAN  
Farragut, TN

GROVER COLLINS  
Lewisburg, TN

WENDELL ALEXANDER  
Dresden, TN

DAVID FLITCROFT  
Knoxville, TN

JANET DiCHIARA  
Jackson, TN

AUSTIN McMULLEN  
Nashville, TN

OPEN SEAT  
West Tennessee

OPEN SEAT  
Middle Tennessee

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 253-7685.

#### Tennessee Real Estate Commission

500 James Robertson Parkway  
Nashville, Tennessee 37243-1151



**Looking for the  
Disciplinary Action Page?**

<http://www.tn.gov/regboards/archive.shtml>



Published online at <http://regbdlst.tennessee.gov> by the Tennessee Department of Commerce & Insurance. Publication Authorization #335101.

**New Electronic and Print TREC  
Manual coming soon! Look for a copy  
end of 2013 or the beginning of 2014.**