



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
TENNESSEE REAL ESTATE COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243
615-741-2273
<http://www.tn.gov/commerce/section/real-estate-commission>

MINUTES

The Tennessee Real Estate Commission held a meeting January 11 and January 12, 2017 at 9:00 a.m. CST in room 1A of the Davy Crockett Tower located at 500 James Robertson Parkway Nashville, TN 37243.

The Meeting was called to order by Chairman John Griess.

Chairman Griess welcomed everyone to the Board meeting.

Executive Director Malcolm Young called roll. The following Commission Members were present: Chairman Griess, Vice Chairman Commissioner Austin McMullen, Commissioner Diane Hills, Commissioner Fontaine Taylor, Commissioner Gary Blume, Commissioner Rick Douglass, Commissioner Johnny Horne, and Commissioner Bobby Wood. Others present: Executive Director Malcolm Young, General Counsel Mark Green, Assistant General Counsel Sarah Mathews, Paralegal Rianna Womack, Education Director Ross White, Commission Staff Brooke Chartrand and Commission Staff Sherry Brame.

Agenda items for the January 11 and 12, 2017 board meeting were submitted for changes and approval.

Motion made by Commissioner Griess and seconded by Commissioner Hills to approve the January 11 and 12 agenda with changes. Motion carried unanimously.

Minutes for the December 12, 2016 board meeting were submitted for changes and approval.

Motion made by Commissioner Wood and seconded by Commissioner Hills to approve the December 12, 2016 minutes as submitted. Motion carried unanimously.

INFORMAL APPEARANCE-

Ms. Jeanna Groome appeared before the commission to request waiver of the 50 mile rule. Commissioner Douglass spoke to Ms. Groome's reputation in the community. Commissioner Wood requested Ms. Groome make accommodations to allow the public to contact her if necessary in regard to her agent that will be located in excess of the 50 miles from her firm.

Waiver of 50 mile rule was approved. Motion made by Commissioner McMullen and seconded by Commissioner Hills. Motion carried unanimously.

COMMISSIONER ORIENTATION-

General Counsel Mark Green held an annual orientation with the Commissioners illustrating the general responsibilities of the Commissioners in addition to covering conflicts of interest, Sunshine law, public meeting protocol, open meetings act and Executive sessions. Director Young recommended policy statements be developed regarding conflict of interest.

EDUCATION REPORT- (Attachment A)

Motion made by Commissioner Wood to approve courses J1-J28, motion seconded by Commissioner Horne. Motion carried unanimously.

Motion made by Commissioner McMullen to approve instructors J1-J7, motion seconded by Commissioner Taylor. Motion carried unanimously.

Executive Director Young noted that the commission is working on implementing mechanisms to better track course and instructor applications and approvals, as well as working on refining the system for receiving and uploading course rosters for licensee continuing education in a more efficient manner.

EXECUTIVE DIRECTORS REPORT-

Review of Financial and Statistical Reports (Attachment B)
Overview of Commission Activities in 2016 to Improve Service to Licensees and Consumers (Attachment C)

Commission invite from Tennessee Association of Realtors Spring Conference March 28, 2016

COMMISSION DISCUSSION-

Review of Rule 1260-01-.12(3) (Representative Clemmons Request)

Request was made by Representative Clemmons to grant a waiver for those dealing with illness (mental) due to military service. General Counsel Green suggested that we amend the rule. Commissioners Douglass and Taylor voiced concern over granting exceptions and proposed a rule change. Legal is going to draft a proposed amendment to Rule 1260-01-.12 (3) and the commission will review at the February commission meeting.

Firm Renewal Notice

Commission was presented with the cost analysis of sending renewal notices to the firms with return receipt at the request of Commissioner Taylor. Commission decided that was too cumbersome. Commissioner Taylor wanted confirmation that firm renewal notices were sent and received, Commission staff confirmed that we can see if the notice was sent. Commissioner Wood voiced his desire for the Commission to continue to mail notices and work towards sending email renewal notifications.

Finalize Advertising Rules and Statues for submission for rulemaking

Motion made by Commissioner McMullen to approve as amended, motion seconded by Commissioner Hills. Motion carried unanimously.

Training for Team Leaders

Commissioner Wood proposed that “team leaders” be required to have more training. Commissioners Hills and Taylor want a “team leader” defined in respect to what it is that their actual duties are within the office. The directive was given by the Commission for Director Young to do some research and look into what other jurisdictions have implemented for “team leaders” training and differentiate from Affiliate Broker. Discussion will continue at the February meeting.

LEGAL REPORT- Staff Attorney

- 1. 2016040701**
Opened: July 26, 2016
First Licensed Obtained: October 2, 2015
License Expiration: October 1, 2017
Type of License: Real Estate Firm
History: No history

Recommendation: Dismiss

Decision: Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner McMullen and seconded by Commissioner Taylor. Motion passes unanimously.

- 2. 2016034591**
Opened: 7/26/16
First Licensed Obtained: September 21, 2011
License Expiration: September 20, 2015
Type of License: Affiliate
History: Open complaints 201607431, 2016034591,201402476, 2014024761

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Horne. Motion passes unanimously.

- 3. 2016047171**
Opened: 9/14/16
First Licensed Obtained: March 26, 2004
License Expiration: October 28, 2018
Type of License: Real estate Firm
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes unanimously.

4. **2016045671**
Opened: August 24, 2016
First Licensed Obtained: March 25, 2002
License Expiration: June 10, 2017
Type of License: Principal Broker
History: No history

Recommendation: Dismiss

Decision: Commission voted for further review for additional information. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes with a 5-3 vote; Commissioners Griess, Blume, Hills, Wood and Taylor voted for, Commissioners Douglass, McMullen and Horne voted against.

5. **2016045631**
Opened: August 24, 2016
First Licensed Obtained: July 29, 1992
License Expiration: October 4, 2017
Type of License: Affiliate
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner McMullen and seconded by Commissioner Horne. Motion passes unanimously. Commissioner Hills and Commissioner Blume abstained.

6. **2016045651**
Opened: August 24, 2016
First Licensed Obtained: September 18, 1992
License Expiration: July 17, 2018
Type of License: Principal Broker
History; Open Complaints 201606126, 2016061261

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner McMullen and seconded by Commissioner Taylor. Motion passes unanimously. Commissioner Hills abstained.

7. **2016047781**
Opened: August 12, 2016
First Licensed Obtained: August 17, 2012
License Expiration: August 18, 2018
Type of License: Real Estate Firm
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner McMullen. Motion passes unanimously.

8. **2016047881**
Opened: August, 2016
First Licensed Obtained: February 21, 2007
License Expiration: March 7, 2017
Type of License: Affiliate
History: Open complaints 20160475, 201604751

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes unanimously.

9. **2016047821**
Opened: August 15, 2016
First Licensed Obtained: August 29, 2003
License Expiration: July 26, 2017
Type of License: Affiliate
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner McMullen and seconded by Commissioner Hills. Motion passes unanimously.

10. **2016047861**
 Opened: August 15, 2016
 First Licensed Obtained: September 1993
 License Expiration: March 1, 2017
 Type of License: Broker
 History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner McMullen and seconded by Commissioner Hills. Motion passes unanimously.

11. **2016044911**
 Opened: August 29, 2016
 First Licensed Obtained: November 2, 2005
 License Expiration: February 1, 2018
 Type of License: Principal Broker
 History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner McMullen and seconded by Commissioner Wood. Motion passes unanimously.

12. **2016045951**
 Opened: September 7, 2016
 First Licensed Obtained: Unlicensed

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner McMullen and seconded by Commissioner Hills. Motion passes unanimously.

13. 2016043911
Opened: July 21, 2016
First Licensed Obtained: December 1987
License Expiration: April 2, 2017
Type of License: Broker
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner McMullen and seconded by Commissioner Douglass. Motion passes unanimously.

14. 2016043811
Opened: July 21, 2016
First Licensed Obtained: July 1985
License Expiration: June 23, 2017
Type of License: Principal Broker
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner Horne. Motion passes unanimously.

15. 2016044501
Opened: August 29, 2016
First Licensed Obtained: March 31, 1992
License Expiration: August 22, 2017
Type of License: Affiliate
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Blume and seconded by Commissioner Hills. Motion passes unanimously.

16. 2016044521
Opened: August 29, 2016
First Licensed Obtained: December 31, 1991

License Expiration: March 16, 2017
Type of License: Principal Broker
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Griess and seconded by Commissioner Taylor. Motion passes unanimously.

17. **2016041901**
Opened: August 18, 2016
First Licensed Obtained: September 23, 1987
License Expiration: June 21, 2017
Type of License: Broker
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Griess and seconded by Commissioner Hills. Motion passes unanimously.

18. **2016048151**
Opened: July 22, 2016
First Licensed Obtained: Unlicensed

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passes unanimously.

19. **2016044081**
Opened: July 25, 2016
First Licensed Obtained: January 29, 2013
License Expiration: May 25, 2018
Type of License: Principal Broker

History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Hills. Motion passes unanimously.

20. 2016043511
Opened: August 23, 2016
First Licensed Obtained: September 22, 1987
License Expiration: June 1, 2017
Type of License: Principal Broker
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Wood. Motion passes unanimously.

21. 2016043591
Opened: August 24, 2016
First Licensed Obtained: August 22, 2002
License Expiration: July 18, 2017
Type of License: Broker
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner Wood. Motion passes unanimously.

22. 2016047201
Opened: August 11, 2016
First Licensed Obtained: March 2, 2004
License Expiration: May 15, 2018
Type of License: Affiliate
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passes unanimously.

23. 2016047241
Opened: August 11, 2016
First Licensed Obtained: February 11, 1993
License Expiration: December 15, 2018
Type of License: Principal Broker
History: Open cases 201604080, 2016040801, 201604435, 2016044351

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passes unanimously.

24. 2016044151
Opened: August 24, 2016
First Licensed Obtained: May 21, 2008
License Expiration: May 20, 2018
Type of License: Affiliate
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Griess. Motion passes with a 5-3 vote; Commissioners Griess, Hills, Wood, Horne, and Douglass voted for, Commissioners Taylor, McMullen and Blume voted against.

25. 2016044351
Opened: July 26, 2016
First Licensed Obtained: February 11, 1993
License Expiration: December 15, 2018
Type of License: Principal Broker
History: Open cases 201604724, 2016047241, 201604080, 201604801

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Griess. Motion passes with a 5-3 vote; Commissioners Griess, Hills, Wood, Horne, and Douglass voted for, Commissioners Taylor, McMullen and Blume voted against.

26. 2016045021
Opened: July 26, 2016
First Licensed Obtained: March 9, 2005
License Expiration: March 5, 2018
Type of License: Affiliate
History: No history

Recommendation: \$1,000 civil penalty for violation of 62-13-404 (2) failure to be loyal to the interests of the client.

Decision: The Commission voted to propose a consent order for \$1000 for violation of 62-13-404 (2), failure to be loyal to the interests of the client, plus attendance and successful completion of four (4) hours of continuing education in contacts and three (3) hours of continuing education in ethics within one hundred eighty (180) days of Respondent's execution of Consent Order above and beyond the minimum requirement for license renewal. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes unanimously.

27. 2016045061
Opened: July 26, 2016
First Licensed Obtained: March 26, 1992
License Expiration: March 15, 2017
Type of License: Principal Broker
History: No history

Recommendation: \$1,000.00 civil penalty for violation of 62-13-312(b)(15) failing to exercise adequate supervision over the activities of an affiliate.

Decision: The Commission voted to propose a consent order for \$1000 for violation of 62-13-312(b)(15) failing to exercise adequate supervision over the activities of an affiliate, plus attendance and successful completion of four (4) hours of continuing education in contacts and three (3) hours of continuing education in ethics within one hundred eighty (180) days of Respondent's execution of Consent Order above and beyond the minimum requirement

for license renewal. Motion by Commissioner Wood and seconded by Commissioner Horne. Motion passes unanimously.

28. **2016044421**
 Opened: July 26, 2016
 First Licensed Obtained: March 17, 2006
 License Expiration: March 16, 2018
 Type of License: Affiliate
 History: No history

Recommendation: \$1,000 civil penalty for violation of 62-13-404(4) failure to provide services to each party to the transaction with honesty and good faith.

Decision: The Commission voted to propose a consent order for \$1000 for violation of 62-13-404(4) failure to provide services to each party to the transaction with honesty and good faith, plus attendance and successful completion of four (4) hours of continuing education in contacts and three (3) hours of continuing education in ethics within one hundred eighty (180) days of Respondent's execution of Consent Order above and beyond the minimum requirement for license renewal. Motion by Commissioner Wood and seconded by Commissioner Horne. Motion passes unanimously.

29. **2016044451**
 Opened: July 26, 2016
 First Licensed Obtained: July 11, 1990
 License Expiration: January 25, 2017
 Type of License: Principal Broker
 History: No history

Recommendation: Dismiss

Decision: The Commission authorized a civil penalty in the amount of One Thousand Dollars (\$1000) for violation of T.C.A. § 62-13-312(b)(15)(failure to supervise). Motion by Commissioner Griess and seconded by Commissioner Wood. Motion passes with a 7-1 vote; Commissioners Griess, Hills, Wood, Douglass, Taylor, McMullen and Blume voted for, Commissioner Horne voted against.

30. **2016044651**
 Opened: July 29, 2016
 First Licensed Obtained: January 9, 2008
 License Expiration: January 8, 2018
 Type of License: Real Estate Firm
 History: No history

Recommendation: \$1,000.00 civil penalty for violation of 62-13-312 (5) failing to account for moneys belonging to others in a reasonable time and (20) improper conduct.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Griess and seconded by Commissioner Wood. Motion passes unanimously.

31. 2016045441
Opened: July 29, 2016
First Licensed Obtained: Unlicensed

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Hills. Motion passes unanimously.

32. 2016047431
Opened: August 11, 2016
First Licensed Obtained: May 12, 2006
License Expiration: May 11, 2018
Type of License: Affiliate
History: No history

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Griess and seconded by Commissioner Hills. Motion passes unanimously.

33. 2016047451
Opened: August 11, 2016
First Licensed Obtained: February 21, 2007
License Expiration: March 7, 2017
Type of License: Principal Broker
History: Open Complaints 201604788, 2016047881

Respondent is principal broker above and he and Respondent above were included in the response filed by attorney.

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Hills. Motion passes unanimously.

34. 2016045971
Opened: July 26, 2016
First Licensed Obtained: August 2016

License Expiration
Type of License: Time Share Exempt
History: No complaint history

Recommendation: Dismiss

Decision: The Commission voted to defer complaint until next scheduled meeting. Motion by Commissioner Griess and seconded by Commissioner Wood. Motion passes unanimously.

35. 2016043951
Opened: July 27, 2016
First Licensed Obtained: April 2, 2007
License Expiration: April 1, 2017
Type of License: Affiliate
History: No complaint history

Recommendation: Dismiss

Decision: Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Horne. Motion passes with a 7-1 vote; Commissioners Griess, Hills, Horne, Douglass, Taylor, McMullen and Blume voted for, Commissioner Wood voted against.

36. 2016045101
Opened: July 27, 2016
First Licensed Obtained: September 30, 2013
License Expiration: September 29, 2017
Type of License: Affiliate
History: No complaint history

Recommendation: \$1,000.00 civil penalty for violation of 62-13-312 (5) failing to account for moneys belonging to others in a reasonable time and (20) improper conduct.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Horne. Motion passes with a 5-3 vote; Commissioners Hills, Horne, Taylor, McMullen and Blume voted for, Commissioner Wood, Griess and Douglass voted against.

37. 2016045131
Opened: July 27, 2016
First Licensed Obtained: April 20, 2010
License Expiration: August 21, 2017
Type of License: Principal Broker
History: No complaint history

Recommendation: \$1,000.00 civil penalty for violation of 62-13-312(b)(15) failing to exercise adequate supervision over affiliate.

The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Horne. Motion passes with a 5-3 vote; Commissioners Hills, Horne, Taylor, McMullen and Blume voted for, Commissioner Wood, Griess and Douglass voted against.

Re-presentations

38. 2016060351
Opened: 10/2/16
First Licensed: 12/11/90
Expiration: 9/28/16
Type of License: Real Estate Firm
History: No Prior Disciplinary History

Recommendation: Counsel recommends the authorization of a civil penalty in the amount of Two Hundred Fifty Dollars (\$250) for failure to respond to the complaint within ten (10) days as required under TCA 62-13-313(a)(2).

Decision: Consent Order for \$1,000 for failure to respond to the complaint within ten (10) days as required under TCA 62-13-313(a)(2).

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes unanimously.

39. 2016068111
Opened: November 16, 2016
First Licensed Obtained: None....not required

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Griess and seconded by Commissioner Wood. Motion passes unanimously.

**NOVEMBER LEGAL REPORT
DECEMBER LEGAL REPORT**

The following was presented at the November 2016 AND December 2016 meeting:

- 40. 2016042291**
Opened: 5/18/16
Type of License: Time Share Registration
History: No Prior Disciplinary History
- 41. 2016046221**
Opened: 3/30/16
First Licensed: 4/29/05
Expiration: 12/05/16
Type of License: Real Estate Firm
History: No Prior Disciplinary History

Decision: Respondent 4, Consent Order for \$1,000 civil penalty for violation of Tenn. Code Ann. § 62-13-313(a)(2) (failure to respond).

New Information: Respondent never received a copy of the complaint, mail was returned as “undeliverable” and therefore we cannot cite the Respondent for failure to respond.

New Recommendation: Counsel recommends this matter be **dismissed**.

Decision: The Commission voted to postpone this complaint to be heard at the January 2016 meeting and ask that Counsel attempt to get service upon the Respondent.

UPDATE: Respondent is in another state, Complainants are in another state. The contract provided by another respondent (also presented in November and dismissed) refers to a property in another state where Respondent was seller. Respondent was served via Fed Ex earlier in December.

New Recommendation: Dismissed as no jurisdiction at all.

The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passes unanimously.

- 42. 2016054861**

Type of License: Unlicensed
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Wood. Motion passes unanimously.

43. 2016044751
Opened: 7/28/16
First Licensed: 6/10/04
Expiration: 1/14/18
Type of License: Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Griess and seconded by Commissioner Hills. Motion passes unanimously.

44. 2016044831
Opened: 7/28/16
First Licensed: 9/10/03
Expiration: 11/29/18
Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner Wood. Motion passes unanimously.

45. 2016043971
Opened: 7/27/16
First Licensed: 4/19/93
Expiration: 8/19/18
Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Griess and seconded by Commissioner Wood. Motion passes unanimously.

46. 2016042791
Opened: 7/28/16
First Licensed: 11/5/02
Expiration: 2/21/18
Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to defer complaint until next scheduled meeting. Motion by Commissioner Blume and seconded by Commissioner Griess. Motion passes unanimously.

47. 2016045831
Opened: 7/28/16
First Licensed: 10/12/015
Expiration: 10/11/17
Type of License: Real Estate Firm
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to defer complaint until next scheduled meeting. Motion by Commissioner Blume and seconded by Commissioner Wood. Motion passes with a 7-1 vote; Commissioners Griess, Hills, Wood, Douglass, Taylor, McMullen and Blume voted for, Commissioner Horne voted against.

48. 2016044571
Opened: 7/29/16
First Licensed: 5/3/01
Expiration: 2/5/18
Type of License: Affiliate Broker
History: No Prior Disciplinary History

2016044572
Opened: 7/29/16
First Licensed: 5/17/05
Expiration: 10/6/17
Type of License: Affiliate Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Hills. Motion passes unanimously.

49. 2016044641
Opened: 7/29/16
First Licensed: 10/19/04
Expiration: 4/21/18
Type of License: Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Blume and seconded by Commissioner Hills. Motion passes unanimously.

50. 2016044891
Opened: 8/1/16
First Licensed: 12/10/73
Expiration: 2/6/19
Type of License: Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Horne. Motion passes unanimously.

51. 2016045091
Opened: 8/1/16
First Licensed: 1/4/07
Expiration: 6/14/18
Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Blume and seconded by Commissioner Hills. Motion passes unanimously.

52. 2016044551
Opened: 8/2/16
First Licensed: 3/11/03
Expiration: 1/18/19

Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: DISMISSAL IN LIGHT OF THE ALREADY APPROVED CONSENT ORDER.

Decision: The Commission voted to defer complaint until the next scheduled meeting.
Motion by Commissioner Griess and seconded by Commissioner Hills. Motion passes unanimously.

53. 2016059081
Opened: 4/4/16
First Licensed: 3/11/03
Expiration: 1/18/19
Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: SUSTAIN THE PREVIOUS DECISION TO IMPOSE A \$1,000.00 CIVIL PENALTY FOR FAILURE TO SUPERVISE.

Decision: The Commission voted to defer complaint until the next scheduled meeting.
Motion by Commissioner Griess and seconded by Commissioner Taylor. Motion passes unanimously.

54. 2016045811
Opened: 8/3/16
First Licensed: 4/19/12
Expiration: 4/18/18
Type of License: Affiliate Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes unanimously.

55. 2016045871
Opened: 8/3/16
First Licensed: 11/14/00
Expiration: 8/1/18
Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passes unanimously.

56. 2016047221
Opened: 8/3/16
First Licensed: 8/12/16
Expiration: 8/11/18
Type of License: Affiliate Broker
History: No Prior Disciplinary History

Recommendation: LETTER OF WARNING OR A CONSENT ORDER WITH A \$250.00 CIVIL PENALTY FOR VIOLATION OF T.C.A. 62-13-301, unlicensed activity.

Decision: The Commission voted to propose a consent order for \$250.00 civil penalty for violation of T.C.A. 62-13-301, unlicensed activity. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes with a 6-2 vote; Commissioners Griess, Hills, Wood, Horne, McMullen and Blume voted for, Commissioners Douglass and Taylor voted against.

57. 2016047261
Opened: 8/3/16
First Licensed: 9/30/16
Expiration: 9/29/18
Type of License: Affiliate Broker
History: No Prior Disciplinary History

Recommendation: LETTER OF WARNING OR A CONSENT ORDER WITH A \$250.00 CIVIL PENALTY FOR VIOLATION OF T.C.A. 62-13-301, unlicensed activity.

Decision: The Commission voted to propose a consent order for \$250.00 civil penalty for violation of T.C.A. 62-13-301, unlicensed activity. Motion by Commissioner Wood and seconded by Commissioner Hills. Motion passes with a 5-3 vote; Commissioners Griess, Hills, Wood, McMullen and Blume voted for, Commissioners Douglass, Horne and Taylor voted against.

58. 2016047321
Opened: 8/3/16
First Licensed: 8/10/87
Expiration: 2/15/17
Type of License: Principal Broker
History: 2016 Consent Order \$1000 civil penalty– failure to supervise
November 2016 Consent Order \$500 Civil Penalty-failure to respond
December 2016 Consent Order \$1000 Civil Penalty- failure to respond

Recommendation: LETTER OF WARNING FOR FAILING TO TIMELY RESPOND.

Decision: The Commission voted to propose a consent order for \$500 civil penalty for violation of for failure to respond to the complaint within ten (10) days as required under TCA 62-13-313(a)(2) and \$500 civil penalty for violation of T.C.A. § 62-13-312(b)(15)(failure to supervise) totaling One Thousand Dollars (\$1000) civil penalty. Motion by Commissioner Griess and seconded by Commissioner Hills. Motion passes with a 7-1 vote; Commissioners Griess, Hills, Wood, Horne, McMullen, Taylor and Blume voted for, Commissioner Douglass voted against.

59. 2016047101
Opened: 8/5/16
First Licensed: 8/3/90
Expiration: 10/27/18
Type of License: Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes unanimously. Commissioner Hills recused herself.

60. 2016047141
Opened: 8/5/16
First Licensed: 7/16/03
Expiration: 6/5/18
Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes unanimously. Commissioner Hills recused herself.

61. 2016046391
Opened: 8/5/16
First Licensed: 9/25/01
Expiration: 2/24/17
Type of License: Real Estate Firm
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Wood and seconded by Commissioner Taylor. Motion passes unanimously.

62. 2016046491
Opened: 8/8/16
First Licensed: 6/14/99
Expiration: 1/4/17
Type of License: Principal Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to defer until the status of the litigation can be determined (Place in Litigation Monitoring). Motion by Commissioner Griess and seconded by Commissioner Wood. Motion passes unanimously.

63. 2016046531
Opened: 8/8/16
First Licensed: 9/6/96
Expiration: 8/12/18
Type of License: Broker
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to defer until the status of the litigation can be determined (Place in Litigation Monitoring). Motion by Commissioner Griess and seconded by Commissioner Wood. Motion passes unanimously.

64. 2016048481
Opened: 8/8/16
Type of License: Unlicensed
History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept the recommendation of legal counsel. Motion by Commissioner Taylor and seconded by Commissioner Horne. Motion passes unanimously.

65. 2016046771
Opened: 8/10/16
First Licensed: 4/29/16
Expiration: 4/28/18

Type of License: Affiliate Broker
History: No Prior Disciplinary History

Recommendation: Letter of warning for violation of Rule 1260-02-.13(4)(a), Advertising Violation.

Decision: The Commission voted to defer the matter until next meeting to allow for legal division to research the applicable TREC statute and TREC advertising rules. Motion by Commissioner Horne and seconded by Commissioner Blume. Motion passes unanimously.

66. 2016046821
Opened: 8/10/16
Type of License: Unlicensed
History: No Prior Disciplinary History

Recommendation: CONSENT ORDER WITH A \$1,000.00 CIVIL PENALTY FOR A VIOLATION OF T.C.A. 62-13-301, unlicensed activity.

Decision: Commission voted to accept the recommendation of counsel and to include a cease and desist order as part of the Consent Order (or a separate letter telling the Respondent to cease and desist). Motion by Commissioner Griess and seconded by Commissioner Blume. Motion passes unanimously.

67. 2016047061
Opened: 8/10/16
First Licensed: 7/7/03
Expiration: 8/10/18
Type of License: Principal Broker
History: 2009 Consent Order \$500 civil penalty- failure to disclose all terms in the contract to purchase

Recommendation: Automatic Revocation, pursuant to T.C.A. 62-13-312(b)(12) and (f), the Commission shall automatically revoke the licensee's license if the licensee does not contact the Commission within sixty (60) days of the conviction.

Decision: Commission voted to accept counsel's recommendation. Commission also requested that TREC staff find any of the Respondent's AB and notify them of their PB's (Respondent) revoked status. Motion by Commissioner Taylor and seconded by Commissioner Hills. Motion passes unanimously.

68. 2016047081
Opened: 8/11/16
First Licensed: 4/14/15
Expiration: 4/13/17
Type of License: Affiliate Broker

History: No Prior Disciplinary History

Recommendation: Dismiss.

Decision: The Commission voted to accept counsel's recommendation. Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passes unanimously.

69. 2016047121
Opened: 8/11/16
First Licensed: 10/6/03
Expiration: 8/13/17
Type of License: Principal Broker
History: Pending Complaint-2016065031

Recommendation: Dismiss.

Decision: The Commission voted to accept counsel's recommendation. Motion by Commissioner Hills and seconded by Commissioner Griess. Motion passes unanimously.

70. 2016033711- Represent
Opened: 4/26/16
First Licensed: 12/8/94
Expiration: 11/10/16
Type of License: Real Estate Broker
History: No Prior Disciplinary History

Recommendation: DISMISSAL.

Decision: The Commission voted to accept counsel's recommendation. Motion by Commissioner Griess and seconded by Commissioner Taylor. Motion passes unanimously.

Meeting adjourned by Chairman Griess at 4:10 p.m.

FORMAL HEARING-

The Tennessee Real Estate Commission held a formal hearing January 12, 2017 at 9:00a.m. in Nashville, Tennessee Davy Crockett Tower Room 1A.

The meeting was called to order by Chairman John Griess.

The following Commission Members were present: Chairman John Griess, Commissioner Diane Hills, Commissioner Austin McMullen, Commissioner Fontaine Taylor, Commissioner Gary Blume, Commissioner Bobby Wood, Commissioner Rick Douglass and Commissioner Johnny Horne. Commissioner Marcia Franks was absent. Others present: Executive Director Malcolm Young, Assistant General Counsel Sara Page, Paralegal Rianna Womack and Commission Staff Sherry Brame.

Formal Hearing

9:00 A.M. CST Call to Order

TREC v. Lee L. Willett

A formal hearing was held before the Commission with an Administrative Law Judge presiding. The Commission considered all testimony and evidence presented.

Decision: TREC v. Lee L. Willett

Motion by Commissioner McMullen to assess a \$1,000 civil penalty for violation of Rule 1260-02-12(3)(e), a \$1,000 penalty for violation of TCA 62-13-312(b)(20), a requirement of completing 4 hours of contracts, and 3 hours of ethics in addition to the regularly required continuing education, to be completed within 180 days of the entry of the order, and costs. Motion carried unanimously.

Respondent is assessed all costs of hearing and investigation. Motion carried unanimously.

Hearing adjourned by Chairman John Griess at 11:20 a.m.

The Tennessee Real Estate Commission held a formal hearing January 12, 2017 at 11:20 a.m. in Nashville, Tennessee Davy Crockett Tower Room 1A.

The meeting was called to order by Chairman John Griess.

The following Commission Members were present: Chairman John Griess, Commissioner Diane Hills, Commissioner Austin McMullen, Commissioner Fontaine Taylor, Commissioner Gary Blume, Commissioner Bobby Wood, Commissioner Rick Douglass and Commissioner Johnny Horne. Commissioner Marcia Franks was absent. Others present: Executive Director Malcolm Young, Assistant General Counsel Robyn Ryan, Paralegal Rianna Womack and Commission Staff Sherry Brame.

Formal Hearing

11:20 A.M. CST Call to Order

TREC v. Cleotries Ruben

A formal hearing was held before the Commission with an Administrative Law Judge presiding. The Commission considered all testimony and evidence presented.

Decision: TREC v. Cleotries Ruben

Motion by Commissioner McMullen to revoke license, assessed a civil penalty for \$9,000; representing \$2,000 for two violations of Tenn. Code Ann. §62-13-312 (b)(5), \$1,000 for one violation of Tenn. Code Ann. §62-13-312 (b)(20), \$2,000 for two violations of Tenn. Code Ann. §62-13-313, \$2,000 for two violations of Tenn. Comp. Rules & Regs. 1260-.02-09, and \$2,000 for two violations of Tenn. Code Ann. §62-13-403 (1). Motion carried unanimously.

Respondent is assessed all costs of hearing and investigation. Motion carried unanimously.

Hearing adjourned by Chairman John Griess at 2:50 p.m.

ATTACHMENT A

TENNESSEE REAL ESTATE COMMISSION

Education Agenda **January 11, 2017**

CR = Classroom
Webinar=W

I = Internet
PP = Paper & Pencil

Courses Presented for Commission Evaluation

Sponsor/Address/ Contact	Title/Statutory &/or Rule Addressed	Comment	Instructor(s)	Hours
BAM Education Systems, LLC #1519 Brent A. Maybank	Contract to Close(CR) Rule 1260-05-.03 J1	This course is to help prepare and educate the licensee on all the details to be aware of in the real estate contract transaction procedures. The Purchase and Sale agreement is discussed in detail.	Brent A. Maybank PREVIOUSLY APPROVED	3
	Transaction Desk/ Transaction Management(CR) Rule 1260-05-.03 J2	This course is to help prepare and educate the licensee on setting up real estate transactions from the Agents Dashboard application and to understand how to set up and create the transactions, templates and authentic-sign documents.		4
	2017-2018 TREC CORE COURSE(CR) Rule 1260-05-.03 J3	This course is to help educate the licensee on the current Trec Core requirements.		6
Dennis Walsh & Associates #1268 Jenny Vita	Certified New Home Specialist: Part One(CR) Rule 1260-05-.03(5) J4	This course is designed to assist real estate professionals in communicating more confidently and professionally. They will be for more knowledgeable in the product they sell and will be able to provide quality service to their customer.	Dennis Walsh PRECIOUSLY APPROVED	5
Gee Whiz Real Estate School #1583	2017-2018 TREC CORE COURSE(I)	The purpose and goals of this course are to provide licensees with information required in the TREC CORE Course 2017-2018 outline including but not	Michelle Pumphrey	6

<p>Michelle Pumphrey Home Buying Consultants Real Estate Institute #1245</p> <p>Gilda Lewis</p>	<p>Rule 1260-05-.03 J5 Mortgage Fraud and Predatory Lending(CR)</p> <p>Rule 1260-05-.03 J6</p>	<p>limited to TREC Law, Rule and Policy updates.</p> <p>This course is designed to create a stronger awareness of the real estate agent of the ethical awareness of mortgage fraud and the ways to recognize fraud mortgage schemes.</p>	<p>Gilda Lewis Reginald Peyton</p> <p>PREVIOUSLY APPROVED</p>	<p>6</p>
	<p>Everyday Ethics in Real Estate(CR)</p> <p>Rule 1260-05-.03 J7</p>	<p>This course is designed to create a stronger awareness of the ethical responsibilities for ethical conduct in real estate activities.</p>		<p>6</p>
<p>Marshall Sparkman NEW #1657</p> <p>Marshall Sparkman</p>	<p>Everything You Need to Know about VA Loans(CR)</p> <p>Rule 1260-05-.03(5) J8</p>	<p>To teach realtors how to better serve veterans.</p>	<p>Marshall Sparkman</p> <p>PREVIOUSLY APPROVED</p>	<p>2</p>
<p>Memphis Real Estate School #1350</p> <p>Felicia Roddy</p>	<p>2017-2018 TREC CORE COURSE (CR)</p> <p>Rule 1260-05-.11; TCA 62- 13-303(g); 325 J9</p>	<p>Course updates licenses on law changes, rules and regulations for Tennessee.</p>	<p>Felicia Roddy</p> <p>PREVIOUSLY APPROVED</p>	<p>6</p>
	<p>2017-2018 TREC CORE COURSE(PP)</p> <p>Rule 1260-05-.11; TCA 62- 13-303(g); 325 J10</p>	<p>Course updates licenses on law changes, rules and regulations for Tennessee.</p>		<p>6</p>
<p>NAIFA #1575</p>	<p>Course 2.4-Roadmap System to Income Capitalization(CR)</p>	<p>This 7-hour Course uses real-life examples and case studies to provide a systematic method to process net operating income, understand the time value of money concepts, apply the roadmap system to</p>	<p>Mike Orman</p>	<p>7</p>

Meredith McCann	Rule 1260-05-.03 J11	valuation techniques, such as rate development and residual valuation, and recognize the various methods of yield capitalization and the valuation of lease fee and leasehold interests.	PREVIOUSLY APPROVED	
	Better Safe Than Sorry(CR) Rule 1260-05-.03 J12	The financial crisis of 2008 and the housing-bubble burst led to industry changes and reforms, including the Home Valuation Code of Conduct (HVCC), the Dodd-Frank Act, Consumer Protection Act, and the Uniform Appraisal Dataset (UAD). This course will explore these areas relating to appraiser matters.		7
Success Real Estate School (Chattanooga) NEW #1658 Susan Barnette	Basic Real Estate Principals(CR) Rule 1260-05-.03(3); TCA 62-13-303(a)(3)(A) J13	To meet the TN Real Estate Commission pre-licensing requirements.	Susan Barnette PREVIOUSLY APPROVED	60
	30 Hour Course for New Affiliates(CR) TCA 62-13-303(3)(A) J14	To fulfill the TN Real Estate Commission prerequisites for obtaining a real estate license.		30
Tennessee Association of Realtors #1110 Steve McDonald	Property Management, The Crash Course Pt 1(CR) Rule 1260-05-.03(5)(a)(9) J15	To educate property managers and agents on the basic elements of property management.	Marc Cunningham PREVIOUSLY APPROVED	1
	THDA Great Choice Mortgages: What Realtors Need to Know at Time of	To give agents the knowledge to close a deal with a THDA loan buyer.	Debbie Reeves PREVIOUSLY	1

	Contract(CR) Rule 1260-05-.03(5)(a)(14) J16		APPROVED	
TAR continued....	2017-2018 TREC Commercial Core(CR) Rule 1260-05-.03(5)(a)(7) J17	Provide commercial licensees an educational opportunity specific to their industry and as required by TREC.	John Giffen PREVIOUSLY APPROVED	6
	Transaction Desk- Transaction Creation (CR) Rule 1260-05-.03(5)(a)(17) J18	Educate users of paperless transaction management program on how to create a new transaction.	Brent Maybank PREVIOUSLY APPROVED	1
	Transaction Desk- Templates/Checklists(CR) Rule 1260-05-.03(5)(a)(17) J19	Educate users of paperless transaction management program on how to establish templates and checklists.		1
	Transaction Desk-Doc Box(CR) Rule 1260-05-.03(5)(a)(17) J20	Educate users of paperless transaction management program on how to utilize Doc Box among all parties in a transaction.		1
	Transaction Desk- Authentisign(CR) Rule 1260-05-.03(5)(a)(17) J21	Educate users of paperless transaction management program on how to utilize digital signatures.		1
	Transaction Desk-Broker Review(CR) Rule 1260-05-.03(5)(a)(17) J22	Educate PB's on the use of the paperless transaction management program.		2

TAR continued	Transaction Desk-Dashboard(CR) Rule 1260-05-.03(5)(a)(17) J23	Educate users of paperless transaction management program on the dashboard and provide information on what the widgets do.		1
Urban Land Institute-Memphis District Council NEW #1659 Anna Ritz	Why Comprehensive Planning is Good for Business(CR) Rule 1260-05-.03(5)(a) J24	The purpose of this course is to educate real estate professionals on the importance of a strategic comprehensive plan and the ways they can work with their clients within such a plan.	Shawn Massey PREVIOUSLY APPROVED	2
Real Estate Success Center #1348 Sheila Hensley	Houses: Buy, Fix, Sell V1.1(I) Rule 1260-05-.03(5)(a)(1-17) J25	This course takes the licensee through the process of buying a distressed property, fixing it up and selling it for profit. Licensees should be familiar with this process to better serve this segment of the buying public.	Sheila Hensley PREVIOUSLY APPROVED	4
	Scams, Scoundrels and Real Estate Stings V1.0(I) Rule 1260-05-.03(5)(a)(1-17) J26	An invaluable resource to the licensee's client and the industry by learning how to spot and report scammers.		6
	All Under One Roof OnDemand Course V1.0 Rule 1260-05-.03(5)(a)(1-17) J27	Blended families are becoming more common as aging parents move in with their adult children because of financial needs or just to keep the family together. How do licensees meet these needs? This course explores how these generational changes affect our market today and how to serve those needs.		6

Memphis Area Association of Realtors O'Hara Keszler	2017 Commercial Summit(CR) Rule1260-05-.03(5)(a);(1)(11)	Participants at the 2017 Commercial Summit will get updates, predictions and an overall forecast of the commercial sector for 2017. Local perspectives will be given by local practitioners in the Memphis Commercial Market.	Bob Turner Henderson Gray Fiser Jon Scott Pahlow Larry Jensen Brian Whaley Tom Grimes Chuck Pinkowski NEED APPROVAL	2
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Courses Requiring Discussion

Sponsor/Address/ Contact	Title	Comment	Instructor(s)	Hours

INSTRUCTOR BIOGRAPHIES FOR JANUARY AGENDA

With the following exception all of the instructors were previously approved:

Bob Turner
Henderson Gray Fiser
Jon Scott Pahlow
Larry Jensen
Brian Whaley
Tom Grimes
Chuck Pinkowski

These seven Instructors will serve at the 2017 Commercial Summit in February for the Memphis Area Association of Realtors. They all filled out applications at the end of 2016 prior to the certification policy changes, they submitted affidavits and have been active in the Commercial Real Estate industry for over 15 years and are qualified to teach in the subject area they are speaking on. Each will present for 15 minutes.

ATTACHMENT B

Executive Director's Report

January 2017

Tennessee Real Estate Commission

Education –

TREC Management is developing systems to provide consistency on course approvals and communications with Education providers. Confirmation letters are being sent to Course providers confirming courses approved during the recertification process. Providers are also being communicated on how they have the ability to access automated information with TREC.

Update -

Advertising – Final Rules are being prepared by legal for your consideration.
Reinstatement of Firms – Rules are being prepared for Commissioners review.

Outreaches –

Tennessee REALTORS® participation by Commissioners – The Commissioners and staff will be participating on March 27 in Cool Springs

Errors and Omissions – Renewals are being processed.

ARELLO –

Malcolm Young will serve as Vice Chairman for the Timeshare Committee for ARELLO in 2017 and 2018. The ARELLO Midyear meeting will take place from April 26-29 in Louisville, KY. Assigned commissioners to attend are Rick Douglass and Johnny Horne. Staff attending will be Malcolm Young and Sarah Matthews.

Human Resources/Staffing –

The staffing grid for the TREC Staff is as follows:

Malcom Young	Executive Director
Ross White	Education Director
Melissa Fox	Office Manager and Processing Coordinator
Education-Rachael Fowler	Licensee Education
Brooke Chartrand	Administrative Assistant and Special Projects
Ahmad Lewis	Auditor

Aaron Smith	Customer Service and Errors and Omissions
Sherry Brame	Processor, Payments, Rosters, Schools
Ashlee Pierce	Customer Service
Cherita Okoro	Customer Service, Processing

December Statistical Report –

Profession	Count
Acquisition Representative Registration	2331
Real Estate Firm	3907
Acquisition Agent Registration	42
Affiliate Broke	25625
Acquisition Agent License	147
Designated Agent for Vacation Lodging Services	98
Time Share Sale	940
Time Share Exempt	135
Vacation Lodging Service	106
RE Broker	7674
Time Share Registration	17

License Type	Status	LIC_COUNT
Individual	Active	30684
Individual	Broker Release	2
Individual	Inactive	1
Individual	Retired	6131
Individual	Suspended	153
Individual	Vol Surrendered	3494
Firm	Active	4121
Firm	Retired	86

December 2016

**EXAMS TAKEN BY
LICENSE TYPE**

Test	Tested	Pass	Fail`	% Passed	% Failed
TN- Acquisition Agent	4	4	0	75%	25%
TN Affiliate Broker- National	561	312	249	53.58%	46.42%
TN Affiliate Broker- State	530	363	167	72.15%	27.85%
TN Broker- National	36	24	12	67.57%	32.43%

TN Broker-State	42	35	7	75.56%	24.44%
TN-Timeshare Salesperson	13	7	6	85.71%	14.29%

2016 December-

TREC

SURPLUS/DEFICIT

FISCAL YEAR BEGINS: JUL 2016

	JUL-16	AUG-16	SEP-16	OCT-16	NOV-16	DEC-16	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	YEARLY
TREC Revenues TREND													
Licensing Revenue	\$ 173,605	\$ 189,115	\$ 188,832	\$ 196,997	\$ 217,016								\$ 965,565
Case Revenue	\$ 5,867	\$ 16,717	\$ 4,467	\$ 3,867	\$ 8,617								\$ 39,533
State Reg Fee	\$ (17,170)	\$ (18,640)	\$ (19,800)	\$ (18,310)	\$ (19,490)								\$ (95,410)
TOTAL REVENUE	\$ 162,301	\$ 187,191	\$ 173,498	\$ 182,554	\$ 206,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 911,686
TREC Expenses TREND													
Edison Expenditures	\$ 69,695	\$ 79,207	\$ 77,794	\$ 78,777	\$ 70,932								\$ 376,405
Admin Costbacks	\$ 35,898	\$ 47,671	\$ 40,717	\$ 44,662	\$ 36,066								\$ 205,014
Legal Costbacks	\$ 26,569	\$ 48,261	\$ 44,961	\$ 31,787	\$ 57,650								\$ 209,228
Investigations	\$ -	\$ 2,622	\$ 582	\$ 1,851	\$ 4,987								\$ 10,043
Field Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -								\$ -
Customer Service Center	\$ 10,830	\$ 9,887	\$ 9,611	\$ 12,559	\$ 10,278								\$ 53,166
TOTAL EXPENDITURES	\$ 142,992	\$ 187,648	\$ 173,665	\$ 169,636	\$ 179,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 853,855
Net Surplus/Deficit	\$ 19,309	\$ (457)	\$ (167)	\$ 12,917	\$ 26,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,831

Historical Trend

Licensing & Case Revenue

FY 2016	\$ 250,958	\$ 202,639	\$ 151,324	\$ 179,479	\$ 144,717	\$ 929,115
FY 2015	\$ 236,972	\$ 196,705	\$ 222,418	\$ 183,400	\$ 177,085	\$ 1,016,580

Expenditures

FY 2016	\$ 1,715,988
FY 2015	\$ 1,634,098

Notes:

Opened and Closed Complaint Cases-

Month	Opened Cases	Closed Cases
3/1/2016-3/31/2016	74	
4/1/2016-4/30/2016	78	75
5/1/2016-5/30/2016	11	
6/1/2016-6/30/2016	53	20
7/1/2016-7/31/2016	83	37
8/1/2016-8/31/2016	114	4* With sanctions
12/1/2016 – 12/31/2016	65	87 *14 with sanctions

Future Dates –

ARELLO Spring – Louisville, KY –

ARELLO Fall – 2017 – Hawaii

Submitted by

Malcolm Young, Executive Director, Tennessee Real Estate Commission

ATTACHMENT C

MEMORANDUM

TO: Tennessee Real Estate Commission

FROM: Malcolm Young, Executive Director

DATE: January 10, 2017

RE: Streamlining rules and procedures for the benefit of licensees

In 2016, the Tennessee Real Estate Commission (“**TREC**”) took several steps to streamline rules and procedures for the benefit of licensees while ensuring continued protection of the public. These steps are outlined below. Please let me know if you have any questions about these improvements.

1. Eliminating the meeting attendance requirement

As part of discipline against licensees who violated statutes or rules, TREC previously required attendance at a full TREC meeting. TREC eliminated this requirement after concluding that meeting attendance was unnecessary in many cases and that the requirement disproportionately impacted licensees who live outside Nashville. Most agreed citation offers now consist only of a monetary civil penalty. If TREC determines, based on the facts and circumstances of a particular complaint, that the offending licensee needs additional education, TREC now offers the licensee the option of attending a full TREC meeting or attending other continuing education options.

2. Eliminating the 50-mile rule

TREC rules previously required all affiliate brokers to live within 50 miles of the office of their principal broker. TREC concluded that technological advances and the availability of alternate training options could ensure broker management of affiliates who live more than 50 miles from their office. As a result, TREC eliminated the 50-mile rule. Brokers are still required to supervise their affiliates, so consumer protection has not been negatively impacted.

3. Eliminating certain advertising rules

TREC is in the process of eliminating several advertising rules after concluding that they imposed undue restrictions on licensees without materially improving consumer protection. TREC has voted to eliminate these rules, and the rule changes have been submitted to the Attorney General for approval:

- a. The rules previously required that the firm name be the “most prominent” name in any advertisement. TREC concluded that this rule was potentially confusing and vague. TREC has voted to eliminate this prominence rule.
- b. The rules previously included a requirement about the size of the firm phone number in advertisements. TREC voted to eliminate this rule.
- c. TREC rules previously required that the name and phone number for a real estate firm appear in all advertisements, including internet and social media advertisements. TREC found that compliance with this rule severely limited certain social media and internet advertisements. To maximize licensee advertising options, TREC voted to amend this rule. Under the amended rule, internet and social media advertisements will be compliant as long as the firm name and phone number is no more than "one click away" from any specific internet or social media advertisement. Since this information will be no more than one click away from any specific advertisement, TREC does not anticipate any negative impact on consumer protection.
- d. TREC voted to remove the requirement that licensees associated with a franchise include "Each Firm independently Owned and Operated" in all advertising.

4. Making reinstatement of expired licenses easier

Licensees and real estate firms are required to renew their licenses before expiration. Under previous rules, if a license expired, the licensee or firm had to pay a reinstatement fee and attend a full TREC meeting in order to reinstate the license. TREC has voted to eliminate the meeting attendance requirement for license reinstatement. TREC has submitted this change to the Attorney General for approval.

5. Eliminating in-person explanation by prospective licensees with very old criminal records

TREC previously required all prospective licensees with any indication of criminal background to attend a TREC meeting, explain their criminal background and request permission to continuing in the licensing process. TREC determined that very old criminal records – those more than 10-years old – were not indicative of potential future conduct. TREC, thus, voted to only require in-person explanations from prospective applicants with criminal indications less than 10-years old. The 10-year timeframe is consistent with the criminal convictions that are deemed relevant and admissible in court cases under the Rules of Evidence. This action decreased the number of days required to process an application for a new licensee.

6. Streamlining approvals through use of online management of license status

Licensees and firms were experiencing delays while TREC processed new licenses and various license status changes. This was because the changes would not be effective until TREC processed the change. TREC has now moved to an online platform for license management thereby significantly decreasing the time necessary for licensees to begin or

return to work. Individuals may now file for a new license, transfer from one firm to another, change their status, change their address and upgrade their licenses using the TREC online platform. To help with the process, all forms and applications were revised. Additionally, direct data feeds with key entities including errors and omissions insurance providers and trade associations were established.

7. Improved outreach to licensees across the State

TREC has completed 12 outreach sessions with licensees across the State to review updated rules and regulations. The sessions are also designed to receive feedback and hear concerns raised by licensees.

These outreaches have included visits by TREC staff to local trade associations and licensee offices. In addition, all 9 TREC commissioners participated in a forum at the spring meeting of the Tennessee Association of REALTORS, and TREC staff provided a legislative update at the fall convention.

8. Improved customer service

TREC is now part of a unified customer service platform with a total of nine agencies within the Department of Commerce and Insurance. The purpose of the unified customer service platform is increased responsiveness to licensees and consumers. Under this platform, each call received by TREC is answered by a team of six customer service specialists. These specialists have the ability to answer many basic questions that constitute a large portion of the typical call volume. If a call needs additional expertise, the call is forwarded to a TREC staff member with the relevant expertise necessary to assist the caller. Anticipated benefits of this program include having all calls answered in a timely fashion, creation of audio and email tickets for responses as well as updated web content for the benefit of licensees and the public.