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: 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
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: 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


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 Taylor. 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.
The Tennessee Real Estate Commission held a formal hearing January 12, 2017 at 9:00 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 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

****

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

Hearing adjourned by Chairman John Griess at 2:50 p.m.
# TENNESSEE REAL ESTATE COMMISSION

**Education Agenda**  January 11, 2017

## Courses Presented for Commission Evaluation

<table>
<thead>
<tr>
<th>Sponsor/Address/Contact</th>
<th>Title/Statutory &amp;/or Rule Addressed</th>
<th>Comment</th>
<th>Instructor(s)</th>
<th>Hours</th>
</tr>
</thead>
</table>
| **BAM Education Systems, LLC**  
Brent A. Maybank | Contract to Close(CR)  
Rule 1260-05-.03  
J1  
Transaction Desk/Transaction Management(CR)  
Rule 1260-05-.03  
J2  
2017-2018 TREC CORE COURSE(CR)  
Rule 1260-05-.03  
J3 | 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.  
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.  
This course is to help educate the licensee on the current Trec Core requirements. | Brent A. Maybank  
PREVIOUSLY APPROVED | 3  
4  
6 |
| **Dennis Walsh & Associates**  
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 |
<table>
<thead>
<tr>
<th>Organization</th>
<th>Course Title</th>
<th>Rule Reference</th>
<th>Description</th>
<th>Instructor</th>
<th>Approval Status</th>
<th>Hours</th>
</tr>
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<tbody>
<tr>
<td>Michelle Pumphrey</td>
<td>Mortgage Fraud and Predatory Lending (CR)</td>
<td>Rule 1260-05-.03 J5</td>
<td>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.</td>
<td>Gilda Lewis</td>
<td>PREVIOUSLY APPROVED</td>
<td>6</td>
</tr>
<tr>
<td>Gilda Lewis</td>
<td>Everyday Ethics in Real Estate (CR)</td>
<td>Rule 1260-05-.03 J6</td>
<td>This course is designed to create a stronger awareness of the ethical responsibilities for ethical conduct in real estate activities.</td>
<td>Gilda Lewis</td>
<td>PREVIOUSLY APPROVED</td>
<td>6</td>
</tr>
<tr>
<td>Marshall Sparkman</td>
<td>Everything You Need to Know about VA Loans (CR)</td>
<td>Rule 1260-05-.03(5) J7</td>
<td>To teach realtors how to better serve veterans.</td>
<td>Marshall Sparkman</td>
<td>PREVIOUSLY APPROVED</td>
<td>2</td>
</tr>
<tr>
<td>Marshall Sparkman</td>
<td>2017-2018 TREC CORE COURSE (CR)</td>
<td>Rule 1260-05-.11; TCA 62-13-303(g); 325 J9</td>
<td>Course updates licenses on law changes, rules and regulations for Tennessee.</td>
<td>Felicia Roddy</td>
<td>PREVIOUSLY APPROVED</td>
<td>6</td>
</tr>
<tr>
<td>Memphis Real Estate School</td>
<td>Course 2.4-Roadmap System to Income Capitalization (CR)</td>
<td>2017-2018 TREC CORE COURSE (PP)</td>
<td>Course updates licenses on law changes, rules and regulations for Tennessee.</td>
<td>Mike Orman</td>
<td>PREVIOUSLY APPROVED</td>
<td>7</td>
</tr>
<tr>
<td>Felicia Roddy</td>
<td>2017-2018 TREC CORE COURSE (PP)</td>
<td>2017-2018 TREC CORE COURSE (CR)</td>
<td>Course updates licenses on law changes, rules and regulations for Tennessee.</td>
<td>Felicia Roddy</td>
<td>PREVIOUSLY APPROVED</td>
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<tr>
<td>Course Title</td>
<td>Provider/Instructor</td>
<td>Rule/Code</td>
<td>Description</td>
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<tr>
<td>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.</td>
<td>Meredith McCann</td>
<td>Rule 1260-05-.03 J11</td>
<td>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.</td>
<td>7</td>
<td>PREVIOUSLY APPROVED</td>
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<tr>
<td>Basic Real Estate Principals(CR)</td>
<td>Susan Barnette</td>
<td>Rule 1260-05-.03(3); TCA 62-13-303(a)(3)(A) J13</td>
<td>To meet the TN Real Estate Commission pre-licensing requirements.</td>
<td>60</td>
<td>PREVIOUSLY APPROVED</td>
<td></td>
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<tr>
<td>30 Hour Course for New Affiliates(CR)</td>
<td>Susan Barnette</td>
<td>TCA 62-13-303(3)(A) J14</td>
<td>To fulfill the TN Real Estate Commission prerequisites for obtaining a real estate license.</td>
<td>30</td>
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<tr>
<td>Property Management, The Crash Course Pt 1(CR)</td>
<td>Marc Cunningham</td>
<td>Rule 1260-05-.03(5)(a)(9) J15</td>
<td>To educate property managers and agents on the basic elements of property management.</td>
<td>1</td>
<td>PREVIOUSLY APPROVED</td>
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<tr>
<td>THDA Great Choice Mortgages: What Realtors Need to Know at Time of</td>
<td>Debbie Reeves</td>
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<td>To give agents the knowledge to close a deal with a THDA loan buyer.</td>
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<tr>
<td>Action Description</td>
<td>Rule</td>
<td>Disposition</td>
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<td>Approval Count</td>
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<td>Commercial Core(CR)</td>
<td>Rule 1260-05-.03(5)(a)(14) J16</td>
<td>APPROVED</td>
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<td>TAR continued…</td>
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<tr>
<td>2017-2018 TREC</td>
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<td>John Giffen</td>
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<tr>
<td>Commercial Core(CR)</td>
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<td>PREVIOUSLY APPROVED</td>
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<tr>
<td>Rule 1260-05-.03(5)(a)(7) J17</td>
<td>Provide commercial licensees an educational opportunity specific to their industry and as required by TREC.</td>
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<tr>
<td>Transaction Desk-Transaction Creation (CR)</td>
<td></td>
<td></td>
<td>Brent Maybank</td>
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<td>Rule 1260-05-.03(5)(a)(17) J18</td>
<td>Educate users of paperless transaction management program on how to create a new transaction.</td>
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<td>Transaction Desk-Templates/Checklists(CR)</td>
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<tr>
<td>Rule 1260-05-.03(5)(a)(17) J19</td>
<td>Educate users of paperless transaction management program on how to establish templates and checklists.</td>
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<td>Transaction Desk-Doc Box(CR)</td>
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<tr>
<td>Rule 1260-05-.03(5)(a)(17) J20</td>
<td>Educate users of paperless transaction management program on how to utilize Doc Box among all parties in a transaction.</td>
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<tr>
<td>Transaction Desk-Authentisign(CR)</td>
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<tr>
<td>Rule 1260-05-.03(5)(a)(17) J21</td>
<td>Educate users of paperless transaction management program on how to utilize digital signatures.</td>
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<tr>
<td>Transaction Desk-Broker Review(CR)</td>
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<td>Rule 1260-05-.03(5)(a)(17) J22</td>
<td>Educate PB’s on the use of the paperless transaction management program.</td>
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<tr>
<td>Course Title</td>
<td>Instructor</td>
<td>Description</td>
<td>Status</td>
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<tr>
<td>TAR continued</td>
<td></td>
<td>Educate users of paperless transaction management program on the dashboard and provide information on what the widgets do.</td>
<td>1</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Urban Land Institute-Memphis District Council NEW #1659</td>
<td>Anna Ritz</td>
<td>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.</td>
<td>2 PREVIOUSLY APPROVED</td>
<td></td>
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<tr>
<td>Why Comprehensive Planning is Good for Business(CR)</td>
<td></td>
<td>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.</td>
<td>4 PREVIOUSLY APPROVED</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Houses: Buy, Fix, Sell V1.1(I)</td>
<td>Sheila Hensley</td>
<td>An invaluable resource to the licensee’s client and the industry by learning how to spot and report scammers.</td>
<td>6</td>
<td></td>
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</tr>
<tr>
<td>Scams, Scoundrels and Real Estate StingsV1.0(I)</td>
<td></td>
<td>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.</td>
<td>6</td>
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<tr>
<td>All Under One Roof OnDemand Course V1.0</td>
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</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Sponsor/Address/Contact</th>
<th>Title</th>
<th>Comment</th>
<th>Instructor(s)</th>
<th>Hours</th>
</tr>
</thead>
</table>
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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malcom Young</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Ross White</td>
<td>Education Director</td>
</tr>
<tr>
<td>Melissa Fox</td>
<td>Office Manager and Processing Coordinator</td>
</tr>
<tr>
<td>Education-Rachael Fowler</td>
<td>Licensee Education</td>
</tr>
<tr>
<td>Brooke Chartrand</td>
<td>Administrative Assistant and Special Projects</td>
</tr>
<tr>
<td>Ahmad Lewis</td>
<td>Auditor</td>
</tr>
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</table>
December Statistical Report –

<table>
<thead>
<tr>
<th>Profession</th>
<th>Count</th>
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<tbody>
<tr>
<td>Acquisition Representative Registration</td>
<td>2331</td>
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<tr>
<td>Real Estate Firm</td>
<td>3907</td>
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<tr>
<td>Acquisition Agent Registration</td>
<td>42</td>
</tr>
<tr>
<td>Affiliate Broker</td>
<td>25625</td>
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<tr>
<td>Acquisition Agent License</td>
<td>147</td>
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<tr>
<td>Designated Agent for Vacation Lodging Services</td>
<td>98</td>
</tr>
<tr>
<td>Time Share Sale</td>
<td>940</td>
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<tr>
<td>Time Share Exempt</td>
<td>135</td>
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<tr>
<td>Vacation Lodging Service</td>
<td>106</td>
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<tr>
<td>RE Broker</td>
<td>7674</td>
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<tr>
<td>Time Share Registration</td>
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<tr>
<td>Individual</td>
<td>Broker Release</td>
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<tr>
<td>Individual</td>
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<tr>
<td>Individual</td>
<td>Retired</td>
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<tr>
<td>Individual</td>
<td>Suspended</td>
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<tr>
<td>Individual</td>
<td>Vol Surrendered</td>
<td>3494</td>
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<tr>
<td>Firm</td>
<td>Active</td>
<td>4121</td>
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<tr>
<td>Firm</td>
<td>Retired</td>
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December 2016

EXAMS TAKEN BY LICENSE TYPE

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<th>Test</th>
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<th>Fail</th>
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<tbody>
<tr>
<td>TN Acquisition Agent</td>
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<td>4</td>
<td>0</td>
<td>75%</td>
<td>25%</td>
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<tr>
<td>TN Affiliate Broker-National</td>
<td>561</td>
<td>312</td>
<td>249</td>
<td>53.58%</td>
<td>46.42%</td>
</tr>
<tr>
<td>TN Affiliate Broker-State</td>
<td>530</td>
<td>363</td>
<td>167</td>
<td>72.15%</td>
<td>27.85%</td>
</tr>
<tr>
<td>TN Broker-National</td>
<td>36</td>
<td>24</td>
<td>12</td>
<td>67.57%</td>
<td>32.43%</td>
</tr>
<tr>
<td>TN Broker- State</td>
<td>42</td>
<td>35</td>
<td>7</td>
<td>75.56%</td>
<td>24.44%</td>
</tr>
<tr>
<td>------------------</td>
<td>----</td>
<td>----</td>
<td>---</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>TN- Timeshare Salesperson</td>
<td>13</td>
<td>7</td>
<td>6</td>
<td>85.71%</td>
<td>14.29%</td>
</tr>
</tbody>
</table>

2016 December-

### TREC SURPLUS/DEFICIT

<table>
<thead>
<tr>
<th></th>
<th>JUL-16</th>
<th>AUG-16</th>
<th>SEP-16</th>
<th>OCT-16</th>
<th>NOV-16</th>
<th>DEC-16</th>
<th>JAN-17</th>
<th>FEB-17</th>
<th>MAR-17</th>
<th>APR-17</th>
<th>MAY-17</th>
<th>JUN-17</th>
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<tbody>
<tr>
<td><strong>TREC Revenues</strong></td>
<td>$153,809</td>
<td>$153,809</td>
<td>$153,809</td>
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<td>$153,809</td>
<td>$153,809</td>
<td>$153,809</td>
<td>$153,809</td>
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<td>$153,809</td>
<td>$153,809</td>
<td>$913,664</td>
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<tr>
<td></td>
<td>$45,177</td>
<td>$40,447</td>
<td>$3,867</td>
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<td>$6,472</td>
<td>$18,890</td>
<td>$15,910</td>
<td>$19,490</td>
<td>$20,450</td>
<td>$20,450</td>
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<tr>
<td><strong>TREC Expenses</strong></td>
<td>$64,400</td>
<td>$70,276</td>
<td>$62,941</td>
<td>$72,771</td>
<td>$70,972</td>
<td>$70,972</td>
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<td>$70,972</td>
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<td>$70,972</td>
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<td>$44,900</td>
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</tr>
<tr>
<td><strong>Net Surplus/Deficit</strong></td>
<td>$39,809</td>
<td>$38,400</td>
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<td>$39,400</td>
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<td>$39,400</td>
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#### Historical Trend

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2015</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$350,455</td>
<td>$300,630</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$350,455</td>
<td>$300,630</td>
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</table>

#### Notes:

- Expenditures are as stated.
## Opened and Closed Complaint Cases-

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

### 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.