



**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 November 08, 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 Caitlin Maxwell read the public disclaimer and called roll. The following Commission Members were present: Chairman Griess, Vice Chairman Commissioner Austin McMullen, Commissioner Diane Hills, Commissioner Fontaine Taylor, Commissioner Bobby Wood, Commissioner Marcia Franks, Commissioner Gary Blume and Commissioner Rick Douglass. Quorum Confirmed. Others present: Assistant General Counsel Sarah Mathews, Assistant General Counsel Erica Smith, Assistant General Counsel Robyn Ryan, paralegal Rianna Womack, paralegal Lillian Watson, Executive Director Caitlin Maxwell, Education Director Ross White, and Commission staff Sherry Brame.

The November 08, 2017 board meeting agenda was submitted for approval.

Commissioner Hills requested to add, to commission discussions, a brief discussion about the Bill Tune Award.

Commissioner Wood requested to add, to commission discussions, a discussion on business cards as advertising.

Commissioner Blume requested to add, to commission discussions, a discussion on meeting attendance.

Commissioner McMullen requested to add, to commission discussions, a discussion on meeting start times.

Motion to approve the agenda as amended was made by Commissioner McMullen and seconded by Commissioner Wood. Motion passed unanimously.

Minutes for the October 05, 2017 board meeting were submitted for approval.

Motion to approve the October 05, 2017 minutes as presented was made by Commissioner Franks and seconded by Commissioner Taylor. Motion passed unanimously.

## **RISC INSURANCE PRESENTATION**

Cindy Rice-Gresham with RISC insurance addressed the commission giving a brief history of how the firm was established in 1989 to exclusively provide real estate errors and omission insurance programs in mandated states and how they are the group provider to 11 of the 13 states offering a group program and mandate insurance and will be adding Alaska January 01 2018. Ms. Rice-Gresham noted that they also handle all claims in house and all calls inquiring into a claim go directly to one of the 8 in house claims specialists. It was noted that RISC works with only one insurance carrier in the group mandated programs, Continental Casualty Company which is one of the CNA companies; CNA is the number one provider of Real Estate liability insurance in the Continental United States. Ms. Rice-Gresham noted that the RISC policy is not only affordable but is also very comprehensive; in Tennessee the base premium

for a 2 year policy is 221.00, which is the least expensive of all the states. Premium is calculated by taking the loss history divided by number of licensees enrolled.

RISC has been the administrator of the Tennessee group program since 1991, with the exception of the years 1995-1997. At the end of September 2017 RISC had 24,010 licensees enrolled in the TN program out of the approximately 32,000 Tennessee licensees.

Ms. Rice-Gresham noted that more money is spent on legal fees than on loss payments, which is typical for this line of business, and that the most valuable part of the Real Estate E&O policy is the defense cost coverage, for which there is no limit under the RISC group policy. She also noted that largest claim allegation filed in the last 6 years was bodily injury or property damage, followed by fraud in conjunction with fraud as the second largest allegation and the deal falling through resulting in no closing as the third largest.

Commissioner Griess noted that the Commission has nothing to do with who is selected as the E&O provider for the Tennessee Real Estate Commission.

### **INFORMAL APPEARANCE–**

Trad Staecker appeared before the Commission along with Principal Broker Sue Acee. Mr. Staecker was requesting permission to apply for his Timeshare Salesperson license.

Motion to approve the request was made by Commissioner Blume and seconded by Commissioner Hills. Motion passed unanimously.

### **REQUEST TO REINSTATE LICENSE–**

Thomas N. Cunningham appeared before the Commission to request his license be reinstated without having to retest and reapply.

Commissioner Griess asked legal to weigh in before Mr. Cunningham addressed the Commission. Assistant General Counsel Sarah Mathews stated that per Rule 1260-01-.21, the Commission does not have the authority to grant reinstatement to someone that has been expired more than a year; that they are required to retest and reapply.

### **EDUCATION REPORT-** (Attachment A)

Education Director Ross White presented the Education Report to the Commission.

Motion to approve courses N1 – N23 was made by Commissioner Wood and seconded by Commissioner Taylor. Motion passed unanimously.

Motion to approve the one (1) Instructor presented was made by Commissioner Franks and seconded by Commissioner Wood. Motion passed unanimously.

### **EXECUTIVE DIRECTORS REPORT-** (Attachment B)

#### **Review of Financial and Statistical Reports**

Executive Director Maxwell noted that the numbers remain consistent with previous months and that TREC continues to move towards having all transactions online; with reinstatements now being available online. In addition, the Executive Director and the Education Director, Ross White, are working together to get all of the education providers and courses online as far as applications and renewals; the goal is January 2018 in preparing for the next renewal cycle for courses which opens September 2018.

Executive Director Maxwell also noted that she and Assistant General Counsel Sarah Mathews had a successful meeting with ARTA which was reassuring since they are the Timeshare Organization.

Executive Director Maxwell also noted that she wants to switch up the outreach process for the 2018 year. Instead of holding multiple outreaches, the plan is to offer 3 outreach sessions; one in East TN, one in West TN and one in Middle TN with the ones in East and West TN corresponding with the Commission meeting dates in those areas with possibly alternating locations from year to year. They plan on holding them at a local hotel conference room or something similar with costs being covered by the Education Recovery Fund. Commissioners Griess and Franks suggested simulcasting the outreach as well, through the local associations, so that licensees didn't have to travel so far; Assistant General Counsel Mathews noted that it would have to be noted that any licensee could attend, even if they weren't a member of the association. Commissioner Franks also suggested posting the video to YouTube and having the link on our website so that licensees could watch the video at any time; but they will only receive CE if they attend an association simulcast or attendance at the actual outreach.

Executive Director Maxwell alerted the Commission that she would be talking, at the January meeting, about the 2018 ARELLO Spring Conference attendance and would start doing so 3 months prior to all ARELLO conferences to ensure attendance is covered and all Travel Authorizations can be submitted in a timely manner to ensure a prompt and smooth reimbursement process.

Commissioner Griess brought up the fact that the May 2018 Commission meeting is in West TN but that there is not yet a set location. Executive Director Maxwell noted that no one has reached out to her with offers of hosting the meeting; Commissioner Taylor suggested having the May meeting at the Jackson Association.

Commissioner Griess also inquired about the 2019 commission meeting schedule; Executive Director Maxwell noted that she could go ahead and schedule based on the 2018 schedule. Commissioner Griess requested that she bring a tentative 2019 schedule to the December meeting.

Commissioner Franks inquired about a temp being hired in TREC Staff Member Melissa Fox's absence for maternity leave. Executive Director Maxwell noted that one has already been put in place and she is getting up to speed in processing.

Commissioner Franks also inquired about the start of TREC staff working from home; Executive Director Maxwell alerted the Commission that TREC staff was on week 2 of working from home and that so far things were going smoothly and that staff was enjoying it and seemed to be processing faster; she will provide a more detailed report at the December meeting.

Commissioner Franks brought up that TREC used to offer a newsletter and that was a helpful outreach tool as well; Executive Director Maxwell noted that it was on her to do wish list for the 2018 year.

Commissioner Hills inquired into the expiration date for the Real Estate license as there seems to be no rhyme or reason to the dates now. Executive Director Maxwell noted that she did not know when the dates changed but that now the dates are based on issuance of first license and renews on the same date each two years.

Commissioner Griess brought up the fact that the October 2018 Commission meeting is in East TN and that there have been two formal invitations to host but no decision had been made. Executive Director Maxwell noted that she has had two invitations but that she had noted that a discussion would be held after establishing the spring meeting location.

## **COMMISSION DISCUSSIONS-**

### **Bill Tune Award**

Commissioner Hills made a motion to award the 2017 Bill Tune to Russ Farrar for his 30 years of service to the real estate industry and all he has done for not only REALTORS but for all licensees; Motion seconded by Commissioner Taylor. Motion carried unanimously.

Commissioner Franks asked what the criteria for receiving the award was, Assistant General Counsel Mathews stated it was internal policy and she would pull the policy for the Commissioners to review.

### **TREC Commission Meeting Attendance**

Commissioner Blume inquired as to whether licensees received CE credit for attending the meeting and how many hours they received. Assistant General Counsel Mathews stated they received 8 hours and that she mentioned that at each of her Outreach presentations. Commissioner Blume suggested that we advertise that so that more licensees knew, Assistant General Counsel Mathews suggested we post that information to the TREC website.

### **Business Cards**

Commissioner Wood inquired as to why business cards are not considered advertising. Assistant General Counsel Mathews noted that at one of her previous outreach presentation in Jackson there was a previous Commissioner present who stated that when these rules were discussed that because business cards were so small, to fit all of your advertising guidelines on them was impractical. Commissioner Wood stated that he did not feel that was a good enough reason to not include them as advertising materials, he noted the biggest agent expenditure yearly was for business cards.

Commissioner Wood requested that Business Cards be added to the December meeting agenda to discuss considering taking action to make business cards be included under advertising guidelines. Assistant General Counsel Mathews noted that this will be a Rule change and she will send out a notification that it will be discussed at the December meeting.

### **Formal meeting Schedule**

Commissioner Blume suggested holding a meeting with TREC staff to go over procedures for meeting requirements.

Executive Director Maxwell stated that would fall more under her responsibility and suggested that she would hold coaching sessions to go over meeting requirements.

Commissioner Blume inquired as to whether we could hold two formal hearings in one day. Assistant General Counsel Mathews stated that if we do hold two in one day and they run 7 hours each then the Commission is obligated to remain here until both hearings are completed.

Commissioner Griess inquired as to whether or not the Commission had a say in a formal being cancelled. Assistant General Counsel Mathews said that even if the Commission and the Attorney object to a continuation that the ALJ has the authority to approve.

### **Meeting Times**

Motion was made by Commissioner McMullen to start the monthly Commission meetings at 8:30 a.m. instead of 9:00 a.m. and was seconded by Commissioner Franks. Motion passed unanimously. This will go into effect with the December Commission meeting.

## **LEGAL REPORT**

### **Consent Agenda**

The following cases were presented to the Commission via a Consent Agenda. All cases were reviewed by legal, legal has recommended dismissal. Commissioner Franks requested to remove cases 2017038171, 2017032201, 2017032221 and 2017032181 for further discussion; Commissioner Wood requested to remove case 2017038281 for further discussion. Commissioner McMullen made the motion to accept the recommendation of legal counsel for cases 1-21, seconded by Commissioner Franks. Motion passed unanimously. Commissioner Wood made the motion to accept the recommendation of legal counsel for cases 27-48; seconded by Commissioner Franks. Motion passed unanimously.

After further discussion by the Commission, Commissioner McMullen made the motion to accept the recommendation of legal counsel to dismiss case 2017038171, seconded by Commissioner Douglass. Motion passed unanimously.

After further discussion by the Commission, Commissioner McMullen made the motion to accept the recommendation of legal counsel to dismiss case 2017038281, seconded by Commissioner Wood. Motion passed unanimously.

After further discussion by the Commission, Commissioner Franks made the motion to assess a \$1,000 civil penalty for case 2017032201, seconded by Commissioner Taylor. Motion passed on a 7-1 vote with Commissioner Douglass voting against.

After further discussion by the Commission, Commissioner Franks made the motion to accept the recommendation of legal counsel to dismiss case 2017032221, seconded by Commissioner Hills. Motion passed unanimously.

After further discussion by the Commission, Commissioner McMullen made the motion to accept the recommendation of legal counsel to dismiss case 2017032181, seconded by Commissioner Franks. Motion passed unanimously.

- |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|
| <b>1. 2017032751</b>  | <b>18. 2017036431</b> | <b>35. 2017034361</b> |
| <b>2. 2017032771</b>  | <b>19. 2017036451</b> | <b>36. 2017034281</b> |
| <b>3. 2017032951</b>  | <b>20. 2017036481</b> | <b>37. 2017034301</b> |
| <b>4. 2017032871</b>  | <b>21. 2017037161</b> | <b>38. 2017035091</b> |
| <b>5. 2017032891</b>  | <b>22. 2017038171</b> | <b>39. 2017035691</b> |
| <b>6. 2017033391</b>  | <b>23. 2017038281</b> | <b>40. 2017036271</b> |
| <b>7. 2017033411</b>  | <b>24. 2017032201</b> | <b>41. 2017036101</b> |
| <b>8. 2017034511</b>  | <b>25. 2017032221</b> | <b>42. 2017036121</b> |
| <b>9. 2017034571</b>  | <b>26. 2017032181</b> | <b>43. 2017036161</b> |
| <b>10. 2017034651</b> | <b>27. 2017032071</b> | <b>44. 2017037821</b> |
| <b>11. 2017034421</b> | <b>28. 2017032091</b> | <b>45. 2017037841</b> |
| <b>12. 2017034441</b> | <b>29. 2017033091</b> | <b>46. 2017037891</b> |
| <b>13. 2017035121</b> | <b>30. 2017033071</b> | <b>47. 2017031321</b> |
| <b>14. 2017036041</b> | <b>31. 2017033211</b> | <b>48. 2017031341</b> |
| <b>15. 2017036081</b> | <b>32. 2017033231</b> |                       |
| <b>16. 2017036391</b> | <b>33. 2017034761</b> |                       |
| <b>17. 2017036411</b> | <b>34. 2017034341</b> |                       |

## **Legal Report**

### **Robyn Ryan**

- 1. 2017033541**  
**Opened: 5/25/17**  
**First Licensed: 11/20/06**  
**Expiration: 11/19/18**  
**Type of License: Affiliate Broker**  
**History: None**

**Recommendation: Letter of Warning**

**Decision: The Commission voted to authorize a Letter of Warning regarding advertising.**

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passed unanimously.

- 2. 2017033561**  
**Opened: 5/25/17**  
**First Licensed: 3/11/86**  
**Expiration: 2/1/19**  
**Type of License: Principal Broker**  
**History: None**

**Recommendation: Dismiss**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passed unanimously.

- 3. 2017033581**  
**Opened: 5/30/17**

**Type of License: Unlicensed**  
**History: None**

**Recommendation: \$500.00 civil penalty for violation of Rule 1260-02-.12(4)(b).**

**Decision: The Commission voted to authorize a Letter of Warning regarding advertising.**

Motion by Commissioner Blume and seconded by Commissioner Wood. Motion passed unanimously.

**4. 2017033601**  
**Opened: 5/30/17**  
**First Licensed: 2/14/07**  
**Expiration: 2/13/19**  
**Type of License: Affiliate Broker**  
**History: None**

**Recommendation: \$500 civil penalty for violation of Rule 1260-02-.12(3)(b).**

**Decision: The Commission voted to dismiss the complaint.**

Motion by Commissioner Wood and seconded by Commissioner Franks. Motion passed unanimously.

**5. 2017034661**  
**Opened: 6/2/17**  
**First Licensed: 1/5/15**  
**Expiration: 1/4/19**  
**Type of License: Affiliate Broker**  
**History: None**

**Recommendation: \$1,000 civil penalty for violation of TCA 62-13-312(4) misleading advertising.**

**Decision: The Commission voted to authorize a Letter of Warning.**

Motion by Commissioner Griess and seconded by Commissioner Franks for a \$500 civil penalty. Motion failed with no roll call needed. Subsequent motion made by Commissioner Taylor and seconded by Commissioner Hills for a \$1,000 civil penalty. Motion failed with no roll call needed. Commissioner Douglass made a motion to issue a letter of warning, motion seconded

by Commissioner Franks; motion passed on a 6-2 vote with Commissioners Hills and Taylor voting against.

6.     **2017034681**  
      **Opened: 6/2/17**  
      **First Licensed: 8/30/96**  
      **Expiration: 6/21/19**  
      **Type of License: Principal Broker**  
      **History: 2012 Consent Order: \$500 Civil Penalty & TREC Attendance- Escrow account**  
      **Violation**

**Recommendation: Dismiss**

**Decision: The Commission voted to dismiss the complaint.**

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passed unanimously.

7.     **2017037121**  
      **Opened: 6/8/17**  
      **First Licensed: 2/14/12**  
      **Expiration: 2/13/18**  
      **Type of License: Real Estate Firm**  
      **History: None**

**Recommendation: \$1,000 civil penalty for violation of TCA § 62-13-403(4) failure to provide services to each party with honesty and good faith.**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion made by Commissioner Wood to dismiss, seconded by Commissioner Taylor; motion failed on a 3-5 vote with Commissioners Hills, Griess, McMullen, Franks and Douglass voting against. Subsequent motion made by Commissioner Griess to accept the recommendation of legal counsel, motion seconded by Commissioner Franks; motion passed unanimously.

8.     **2017036311**  
      **Opened: 6/8/17**

**First Licensed: 3/28/01**  
**Expiration: 10/24/18**  
**Type of License: Principal Broker**  
**History: None**

**Recommendation: Letter of warning**

**Decision: The Commission voted to dismiss the complaint.**

Motion by Commissioner Wood and seconded by Commissioner Douglass. Motion passed on a 6-2 vote with Commissioners Taylor and Hills voting against.

**9. 2017038171**  
**Opened: 6/13/17**  
**First Licensed: 12/23/08**  
**Expiration: 12/22/18**  
**Type of License: Real Estate Firm**  
**History: None**

**Recommendation: Dismiss**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner McMullen and seconded by Commissioner Douglass. Motion passed unanimously.

**10. 2017038281**  
**Opened: 6/14/17**  
**First Licensed: 9/1/16**  
**Expiration: 8/31/18**  
**Type of License: Principal Broker**  
**History: None**

**Recommendation: Dismiss**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner McMullen and seconded by Commissioner Wood. Motion passed unanimously.

## **RE-PRESENTATIONS**

- 11. 2014000141**  
**Opened: 2/5/14**  
**First License Obtained: 3/17/80**  
**License Expiration: 6/9/19**  
**Type of License: Principal Broker**  
**History: None**

**New Recommendation:** Dismiss. Respondent below and keep this matter in litigation monitoring in event something is revealed that shows a violation of the Broker's Act although in reading response, it does not appear that there was any violation.

**New Decision: The Commission voted to keep the Respondent in Litigation Monitoring.**

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passed on a 7-1 vote with Commissioner Wood voting against.

- 12. 2014010521**  
**Opened: 8/19/14**  
**First License Obtained: 9/22/72**  
**License Expiration: 9/5/14**  
**Type of License: Real Estate Broker**  
**History: None**

**New Recommendation: Close and Flag. Respondent has never renewed license and is expired.**

**New Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Griess and seconded by Commissioner Hills. Motion passed unanimously.

- 13. 2014007761**  
**Opened: 5/23/14**  
**First License Obtained: 8/1/03**  
**License Expiration: 5/14/16 never renewed**  
**Type of License: Affiliate Broker**  
**History: None**

**New Recommendation: Close and flag.**

**New Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passed unanimously.

- 14. 2014007821**  
**Opened: 5/13/14**  
**First License Obtained: 4/7/93**  
**License Expiration: 4/30/19**  
**Type of License: Principal Broker**  
**History: None**

**New Recommendation: Dismiss**

**New Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passed unanimously.

- 15. 2017018941**  
**Opened: 3/20/17**  
**First Licensed: 4/18/84**  
**Expiration: 10/12/18**  
**Type of License: Principal Broker**  
**History: None**

**New Recommendation: Dismiss**

**New Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passed unanimously.

- 16. 2017018961**  
**Opened: 3/20/17**  
**First Licensed: 9/26/13**  
**Expiration: 9/25/17**  
**Type of License: Real Estate Firm**  
**History: None**

**New Recommendation: Dismiss**

**New Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passed

unanimously.

- 17. 2014006311**  
**Opened: 5/6/14**  
**First License Obtained: 2/14/05**  
**License Expiration: 5/1/18 but in retired status**  
**Type of License: Real Estate Broker**  
**History: None**

**New Recommendation: Close and flag should Respondent attempt to come out of retirement and litigation makes findings of violation of broker's act.**

**New Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passed unanimously.

- 18. 2014029071**  
**Opened: 12/12/14**  
**First License Obtained: 1/13/16**  
**License Expiration: 1/12/18**  
**Type of License: Affiliate Broker (unlicensed at time of complaint)**  
**History: None**

**New Recommendation: Dismiss**

**New Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passed unanimously.

**Erica Smith**

- 19. 20150224251 – REPRESENT**  
**Opened: 2/9/16**  
**First Licensed: 11/14/06**  
**Expiration: 11/13/16**  
**Type of License: Affiliate Broker**  
**History: No history of disciplinary action.**

**New Recommendation: Void the Consent Order approved at the September 2017 meeting and dismiss complaint.**

**New Decision: The Commission voted to defer the complaint until the next scheduled meeting.**

Motion by Commissioner Griess and seconded by Commissioner Wood. Motion passed unanimously.

**20. 20150224271 – REPRESENT**

**Opened: 2/9/16**

**First Licensed: 11/14/00**

**Expiration: 8/1/16**

**Type of License: Principal Broker**

**History: No history of disciplinary action.**

**New Recommendation: Void the Consent Order approved at the September 2017 meeting and dismiss complaint.**

**New Decision: The Commission voted to defer the complaint until the next scheduled meeting.**

Motion by Commissioner Franks and seconded by Commissioner Wood. Motion passed unanimously.

**21. 2017037181**

**Opened: 6/9/17**

**First Licensed: 7/15/11**

**Expiration: 7/14/19**

**Type of License: Affiliate Broker**

**History: None**

**Recommendation: Consent Order for Litigation Monitoring until the civil suit has been resolved.**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Griess and seconded by Commissioner Franks. Motion passed unanimously.

**22. 2017037221**  
**Opened: 6/9/17**  
**First Licensed: 9/1/95**  
**Expiration: 10/4/18**  
**Type of License: Principal Broker**  
**History: None**

**Recommendation: Consent Order for Litigation Monitoring until the civil suit has been resolved.**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Griess and seconded by Commissioner Franks. Motion passed unanimously.

**23. 2017037141**  
**Opened: 6/9/17**  
**First Licensed: 8/6/10**  
**Expiration: 8/5/18**  
**Type of License: Affiliate Broker**  
**History: None**

**Recommendation: Consent Order for Litigation Monitoring until the civil suit has been resolved.**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Griess and seconded by Commissioner Franks. Motion passed unanimously.

**24. 2017038561**  
**Opened: 6/14/17**  
**First Licensed: 3/11/14**  
**Expiration: 6/5/18**  
**Type of License: Principal Broker**  
**History: None**

**Recommendation: Dismiss**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Hills and seconded by Commissioner Taylor. Motion passed on a 7-1 vote with Commissioner Franks voting against.

**25. 2017038681**  
**Opened: 6/14/17**  
**First Licensed: 6/6/16**  
**Expiration: 6/5/18**  
**Type of License: Real Estate Firm**  
**History: None**

**Recommendation: Dismiss**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Griess and seconded by Commissioner Taylor. Motion passed unanimously.

**26. 2017032201**  
**Opened: 5/19/17**  
**Type of License: Unlicensed**  
**History: None**

**Recommendation: Dismiss**

**Decision: The Commission voted to authorize a Consent Order assessing a \$1,000 Civil Penalty for violation of Tenn. Code Ann. §62-13-301 (unlicensed activity).**

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passed on a 7-1 vote with Commissioner Douglass voting against.

**27. 2017032221**  
**Opened: 5/19/17**  
**Type of License: Unlicensed**  
**History: None**

**Recommendation: Dismiss**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passed

unanimously.

**28. 2017032181**  
**Opened: 5/19/17**  
**Type of License: Unlicensed**  
**History: None**

**Recommendation: Dismiss**

**Decision: The Commission voted to accept the recommendation of legal counsel.**

Motion by Commissioner McMullen and seconded by Commissioner Franks. Motion passed unanimously.

# ATTACHMENT A

## TENNESSEE REAL ESTATE COMMISSION

Education Agenda **November 8, 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
Gap Solutions #1574  Gary Johnson	Mission, Vision, Values- Success Fundamentals(CR)  Rule 1260-05-.03(5)(a) <b>N1</b>	This course will show the attendees how to establish the important success principles, regarding establishing a Mission, defining a Vision and selecting Values of how they want to conduct their business, and how to use them within their business.	Gary Johnson  PREVIOUSLY APPROVED	3
McKissock, LLC #1338  Nichole Boston	The Doctor Is In: Diagnosing Your Risk Management(I)  Rule 1260-05-.03(1) <b>N2</b>	This class is intended and designed to help brokers implement policies to reduce risk. The Course begins with an in-depth discussion on agency policies that should be incorporated into a policy and procedures manual.	Marcie Roggow  PREVIOUSLY APPROVED	3
Memphis Area Association of REALTORS #1094  O'Hara Keszler	Introduction to Property Management(CR)  Rule 1260-05-.03(5)(a) <b>N3</b>	This class provides an overview of property management to those who would like to enter the profession. Attendees will examine what property managers do, where they work, who hires them, and what they need to know, and how they get into the profession and advance in their careers.	Robin Quick  <b>NEED APPROVAL</b>	4
	SFH201 Managing Single Family Homes and Small Investment Properties(CR)  Rule 1260-05-.03(5)(a) <b>N4</b>	This class provides a robust curriculum that guides new and aspiring managers through the how-to's, common mistakes, and crucial details of navigating the challenging but rewarding profession of property management with an emphasis on managing single-family homes.	Jeffery Moore  PREVIOUSLY APPROVED	8
Middle Tennessee Association of REALTORS #1141  Candy Joyce	Grievance and Professional Standards Committees(CR)  Rule 1260-05-.03(5)(a) <b>N5</b>	To train volunteers to serve the consumer in a confidential process of dispute resolution.	Randa Dawson  PREVIOUSLY APPROVED	3

<p>NBI, Inc. #1123</p> <p>Cassi Gruber</p>	<p>Practical Guide to Zoning and Land Use Law(CR)</p> <p>Rule 1260-05-.03(5)(a) N6</p>	<p>Navigate the zoning process with an in-depth understanding of zoning regulations. At the seminar you will learn to facilitate positive outcomes by understanding key components of the approval process, the procedures for challenging a zoning decision, as well as requirements for administrative approach. Also learn to recognize constitutional limitations on zoning actions.</p>	<p>John R. Anderson George A. Dean Samuel H. Edwards</p> <p>PREVIOUSLY APPROVED</p>	<p>7</p>
<p>Negotiation Expertise, LLC #1538</p> <p>Mike Walker</p>	<p>CNE3- Seller Suite(CR)</p> <p>Rule1260-05.03(5)(a) N7</p>	<p>The overall course objective is to provide real estate professionals with an advanced planning and representation model for protecting and representing Seller clients more effectively.</p>	<p>Mike Walker</p> <p>PREVIOUSLY APPROVED</p>	<p>12</p>
	<p>CNE- 2 Buyers Suite(CR)</p> <p>Rule 1260-05-.03(5)(a) N8</p>	<p>The overall course objective is to provide real estate professional with an advanced planning and representation model for protecting and representing Buyer clients more effectively.</p>		<p>12</p>
<p>Perk Seminars #1675</p> <p>Greg Glosson</p>	<p>Auctions, Short Sales and REO(CR)</p> <p>Rule 1260-05-.03(1);(2);(5)(a) N9</p>	<p>This course will provide an overview of corporate real estate auctions, short sales and bank owned (REO) properties. Students will receive an introduction to the foreclosure process, the short sale process and the most common auction sites that corporate sellers use. Students will learn strategies that lead to acceptance of offers on corporate owned homes.</p>	<p>Greg Glosson</p> <p>PREVIOUSLY APPROVED</p>	<p>3</p>
	<p>Risk Management for Residential Agents(CR)</p> <p>Rule 1260-05-.03(1);(2);(5)(a) N10</p>	<p>This course will provide an overview of the situations that could put a licensee at risk and teach the licensee strategies for minimizing risk to themselves and members of the public. This course will review most common E&amp;O Insurance claims, Agency, Fair Housing, and the procedures to avoid claims.</p>		<p>3</p>

Perk Seminars continued...	Business Planning for the New and Seasoned Agent(CR)  Rule 1260-05-.03(1);(2);(5)(a) <b>N11</b>	This course will demonstrate techniques that licensees can put into place that will build business and provide actionable steps to creating a business plan for themselves. It will teach participants to set short and long term goals, provide record keeping steps in accordance with TREC rules, sphere of influence behaviors, and calculating productivity.	Greg Glosson	4
	Why Having A CLUE Report Is So Important(CR)  Rule 1260-05-.03(1);(2);(5)(a) <b>N12</b>	At the end of this course, the licensee will be able to describe, identify and recognize the importance of a CLUE Report for both buyers and sellers of residential properties.		1
Tennessee Academy of Real Estate #1664    Brandt McGregor	Houses: Buy, Fix, Sell(I)  Rule 1260-05-.03 <b>N13</b>	Teaches how to tell good from bad and what exactly to do with a given house. Agents will be able to guide buyers in this process.	Marie King  PREVIOUSLY APPROVED	4
	Foreclosures, Short Sales, REO's, & Auctions(I)  Rule 1260-05-.03 <b>N14</b>	Keeps agents current on the often confusing markets listed. This is a subject that many lack knowledge in.		6
	Course For New Affiliates(CR)  Rule 1260-05-.03 <b>N15</b>	Introduces students to practical applications and increases their understanding of listings, agency, contracts, fair housing, antitrust, risk reduction, licenses law, ethics and finance.		30
	Investment Property Practice and Management(I)  Rule1260-05-.03 <b>N16</b>	This course teaches the advantages and disadvantages of investments in real estate. It offers a better understanding of acquisition of property.		12

Tennessee Academy of Real Estate continued.....	Buyer Representation in Real Estate(I)  Rule 1260-05-.03 N17	This course focuses on legal and technical aspects of buyer representation, due diligence, and fiduciary duties.	Marie King  Continued....	6
	Introduction to Commercial Real Estate Sales(I)  Rule 1260-05-.03 N18	This course provides a comprehensive introduction to the commercial side of the industry.		6
	Tennessee CORE 2017-2018(I)  Rule 1260-05-.03 N19	This course is the required mandatory course for licensees and their renewals. It keeps the licensees knowledge base up to date.		6
	Real Estate Finance Today(I)  Rule 1260-05-.03 N20	This course provides finance insights applicable in multiple facets of the industry. It will enable licensees to make/recommend wiser financial decisions.		6
	Basics Principles of Real Estate(CR)  Rule 1260-05-.03 N21	This course helps prepare students to pass their state issued real estate exam, providing them with the basic principles of the industry in Tennessee.		60
Williams Underwriting Group #1611  Richard Williams	Risk Management for the Individual Licensee(CR)  TCA 62-13-403;404;407; Rule 1260-05-.03(5)(a) N22	This course provides risk management and errors and omissions information to licensees that they can use in their daily real estate activities.	Richard Williams  PREVIOUSLY APPROVED	2

Urban Land Institute- Memphis District #1659  Karen Foster	Walkable and Diverse Urbanism: The Complications of an Ideal(CR)  Rule 1260-05-.03(5)(a) N23	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
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**Courses Requiring Discussion**

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

NOVEMBER 2017

INSTRUCTOR BIO

Robin Quick- CPM, Certified Property Manager; ARM, certified Accredited Residential Management; IREM Arkansas Chapter President; Owner and Principal Broker, for On Q Real Estate & Property Management. 27 years real estate property experience.

## Executive Director's Report

### Tennessee Real Estate Commission

#### Outreach Education Events:

Future 2017 Outreach			
Association	Location	Date	Time
RCAR	Springfield, TN	12/12/2017	1:00 PM

#### Staffing:

Caitlin Maxwell	Executive Director
Ross White	Education Director
Melissa Fox	Office Manager and Processing Coordinator
Rachel Fowler	Visitor Liaison & Licensing
Sherry Brame	Commission Liaison, Manages CE Roster submissions, Customer Service, & Licensing
Ahmad Lewis	Auditor
Aaron Smith	Customer Service, Errors and Omissions, Informal Appearances, & Licensing
Liza Bennich	Customer Service, Licensing, and Visitor Liaison, Ticket Distribution
Cherita Okoro	Customer Service, Licensing, Coding
Rhonda Brown	Customer Service, Licensing, Mail Distribution, and Claim Refunds
Denarius Stinson	Customer Service, Licensing, and Bad Checks

#### October Statistical Report:

Profession	Count
Acquisition Agent License	148
Acquisition Agent Registration	42
Acquisition Representative Registration	2330
Affiliate Broke	27080
Designated Agent	94
RE Broker	7721
Real Estate Firm	4082
Time Share Exempt	140
Time Share Registration	32
Time Share Sale	944
Vacation Lodging Service	102

License Type	Status	Count
Individual	Active	32440
Individual	Broker Release	2
Individual	Inactive	1
Individual	Retired	5876
Individual	Suspended	703
Individual	Vol Surrendered	3526
Firm	Active	4323
Firm	Retired	75

**Exams Taken by License Type:**

Test	Tested	Pass	Fail	Percentage Passed	Percentage Failed
TN Acquisition Agent	8	4	4	50.00%	50.00%
TN Affiliate Broker- National	618	346	272	55.99%	44.01%
TN Affiliate Broker- State	515	404	111	78.45%	21.55%
TN Broker- National	35	21	14	60.00%	40.00%
TN Broker- State	40	32	7	80.00%	20.00%
Timeshare Salesperson	32	23	9	71.88%	28.12%

**Opened and Closed Complaint Report:**

Month	Opened Cases	Closed Cases	Sanctions
12/1/16 – 12/31/16	65	87	14
01/01/17 - 01/31/17	70	67	11
02/01/17 - 02/28/17	62	105	-
03/01/17 - 03/31/17	56	85	-
04/01/17 - 04/30/17	52	66	-
05/01/17 - 05/30/17	57	41	5
06/01/17 – 06/30/17	87	86	14
07/01/17 – 07/31/17	70	39	2
08/1/2017- 8/31/2017	91	113	39
9/1/2017- 9/29/2017	63	35	9
10/1/2017-10/31/2017	69	61	9

\*sanctions include complaints closed with consent orders and agreed orders.

**Future Discussion:**

- ARDA
- Online : Reinstatements

# TREC

## SURPLUS/DEFICIT

FISCAL YEAR BEGINS: JUL 2017

	JUL-17	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	YEARLY
<b>TREC Revenues TREND</b>													
Licensing Revenue	\$ 201,695	\$ 226,335	\$ 204,465										\$ 632,495
Case Revenue	\$ 14,866	\$ 20,600	\$ 6,151										\$ 41,617
State Reg Fee	\$ (20,480)	\$ (23,430)	\$ (17,530)										\$ (61,440)
<b>TOTAL REVENUE</b>	<b>\$ 196,081</b>	<b>\$ 223,505</b>	<b>\$ 193,086</b>	<b>\$ -</b>	<b>\$ 612,672</b>								
<b>TREC Expenses TREND</b>													
Edison Expenditures	\$ 51,772	\$ 60,684	\$ 65,423										\$ 177,879
Admin Costbacks	\$ 28,664	\$ 33,869	\$ 25,855										\$ 88,388
Legal Costbacks	\$ 42,779	\$ 45,581	\$ 40,124										\$ 128,483
Investigations	\$ -	\$ 465	\$ 22										\$ 488
Field Enforcement	\$ -	\$ -	\$ -										\$ -
Customer Service Center	\$ 11,215	\$ 14,908	\$ 8,053										\$ 34,177
<b>TOTAL EXPENDITURES</b>	<b>\$ 134,430</b>	<b>\$ 155,507</b>	<b>\$ 139,477</b>	<b>\$ -</b>	<b>\$ 429,414</b>								
<b>Net Surplus/Deficit</b>	<b>\$ 61,651</b>	<b>\$ 67,998</b>	<b>\$ 53,609</b>	<b>\$ -</b>	<b>\$ 183,258</b>								

### Historical Trend

#### Licensing & Case Revenue

FY 2017	\$ 162,301	\$ 187,191	\$ 173,498	\$ 182,554	\$ 206,142	\$ 223,954	\$ 226,253	\$ 198,906	\$ 234,358	\$ 183,979	\$ 215,993	\$ 218,633	\$ 2,413,762
FY 2016	\$ 250,958	\$ 202,639	\$ 151,324	\$ 179,479	\$ 144,717	\$ 168,954	\$ 186,351	\$ 199,162	\$ 248,430	\$ 196,883	\$ 190,786	\$ 197,262	\$ 2,316,942

#### Expenditures

FY 2017	\$ 142,992	\$ 187,648	\$ 173,665	\$ 169,636	\$ 179,914	\$ 157,762	\$ 139,689	\$ 175,039	\$ 158,497	\$ 201,728	\$ 188,598	\$ 154,924	\$ 2,030,091
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