

**TENNESSEE REAL ESTATE COMMISSION MINUTES**  
**February 8 – 9, 2012**

The Tennessee Real Estate Commission convened on February 8, 2012, at 9:10 a.m., in the Davy Crockett Building at 500 James Robertson Parkway, Nashville, TN 37243. The following Commission Members were present: Chairman Isaac Northern, Vice-Chairman William "Bear" Stephenson, Commissioner Grover Collins, Commissioner Michelle Haynes, Commissioner Wendell Alexander, Commissioner Janet DiChiara and Commissioner Austin McMullen were present. Commissioner David Flitcroft was absent. Others Present: Eve Maxwell, Executive Director, Steve McDonald, Education Director, Assistant General Counsel Mark Green, Robyn Ryan and Julie Cropp and Kelly McDermott, Administrative Secretary.

The formal hearing of TREC v. Donna Bobo, license #270338, Docket #12.36-114719A convened at 9:11 a.m. The Commission recessed for lunch at 11:25 a.m. and the formal hearing reconvened at 12:55 p.m. The formal hearing adjourned at 3:35 p.m.

**In the hearing of Ms. Donna Bobo, license #270338, it was ordered that Respondent's license as a broker having been issued number 270338 previously issued by the Tennessee Real Estate Commission is hereby permanently revoked. Additionally, Respondent is ordered to pay a civil penalty of Five Thousand Dollars (\$5,000.00). Respondent is ordered to pay all hearing costs in court reporter costs of One Thousand Sixty Dollars (\$1,060.00), Administrative Law Judge costs of One Thousand One Hundred Dollars (\$1,100.00). Respondent is therefore ordered to pay the total costs of Two Thousand One Hundred Sixty Dollars (\$2,160.00) within 30 days of the entry of the final order which shall take effect upon filing with the Administrative Procedures Division of the Office of the Secretary of State.**

Chairman Northern recessed the meeting on Wednesday, February 9, 2012 at 3:36 p.m.

**February 9, 2012**

The Tennessee Real Estate Commission reconvened on February 9, 2012, at 9:08 a.m., in the Davy Crockett Building at 500 James Robertson Parkway, Nashville, TN 37243. The following Commission Members were present: Chairman Isaac Northern, Vice-Chairman William "Bear" Stephenson, Commissioner Grover Collins, Commissioner Michelle Haynes, Commissioner Wendell Alexander, Commissioner Janet DiChiara and Commissioner Austin McMullen were present. Commissioner David Flitcroft was absent. Others Present: Eve Maxwell, Executive Director, Steve McDonald, Education Director, Assistant General Counsel Mark Green, Robyn Ryan and Julie Cropp and Kelly McDermott, Administrative Secretary.

The first order of business was the adoption of the agenda (**Exhibit 1**) for the February 2012 Commission meeting. **Commissioner DiChiara made a motion to adopt the agenda for the February 2012 agenda; seconded by Commissioner McMullen; unanimous vote; motion carried.**

The next order of business was the approval of the January 2011 minutes (**Exhibit 2**). **Commissioner Collins made a motion to approve the January 2012 minutes; seconded by Commissioner DiChiara ; vote: 6 yes, 0 no; Commissioner McMullen abstained as he was absent from the January meeting; motion carried.**

Mr. Wayne Pugh, General Counsel for the Division of Regulatory Boards, addressed the Commission to detail changes in the structure of the legal staff. Mr. Pugh advised the Commission that Mr. Mark Green will be moving into litigating and Ms. Julie Cropp has been assigned as the new TREC Assistant General Counsel. Ms. Cropp told the board a little about herself and they all welcomed her aboard. Chairman Northern asked that Mr. Pugh please explain how the Governor's plan for streamlining the Regulatory Boards may affect TREC. General Counsel Pugh stated that he did not think anything in the administrative bill affects TREC.

In light of the outcome of the previous day's hearing, Chairman Northern addressed the attendees regarding the process that is followed from the beginning of the complaint process through the proceedings at the formal hearing, if ultimately needed, to resolve the complaint. Legal Counsel Green and Ryan also gave input regarding their processes when they receive the complaint and the importance of answering complaints timely and thoroughly.

#### **AFFILIATE BROKER APPLICANT INFORMAL APPEARANCE**

**Louis "Gene" E. Haun** appeared with his potential Principal Broker Ruth Kinney to request that he be allowed to apply for a Timeshare Salesperson license. Mr. Haun disclosed to the Commission that he had been convicted in 1991 with Possession of a Controlled Substance, Manufacture/Sell Controlled Substance and Selling a Controlled Substance. **Commissioner DiChiara made a motion to approve Mr. Haun's request to apply for a Timeshare Salesperson license; seconded by Commissioner Collins; motion carried.**

#### **EXECUTIVE DIRECTOR'S REPORT, EVE MAXWELL, EXECUTIVE DIRECTOR**

Ms. Maxwell presented the following information to the Commission for review:

- **Complaint Statistics Report** (Exhibit 3) – Ms. Maxwell presented complaint statistics to the Commission. As of January 31, 2012, TREC had a total of 89 open complaints. Of those 89 open complaints, 6 were Errors & Omissions insurance complaints. There were 37 new complaints in January 2012. There were 69 complaints in the legal department and 20 open complaints in the TREC office awaiting response. The total number of closed complaints for the current Fiscal Year 2011-2012 is 94. Total Civil Penalties paid in January 2012 were \$19,730.00.
- **Licensing Statistics** (Exhibit 4) – Ms. Maxwell presented licensing statistics for the month of February 2012. As of January 31, 2012, there were 23,429 active licensees, 1670 inactive licensees and 10,212 retired licensees. There were 4,131 active firms and 331 retired firms. There were 153 new applications approved in January 2012. Further, she presented a comparison of total licensees for individuals (active, retired and inactive) and firms in January of 2008, 2009, 2010 and 2011. She also presented license renewal percentages and the average number of licenses

issued per month in 1997 and 2000 – 2012, firms closed or retired from 2008 – 2012 and the applications approved from 2008 – 2012.

Ms. Maxwell discussed with the Commission the upcoming meeting dates and the ARELLO Mid-Year Conference. She advised the Commission that the 100 year anniversary celebration that the Chattanooga Area Association of REALTORS is planning has been rescheduled for the first week of May and that as the schedule currently stands there is a conflict between the ARELLO Meeting and the April TREC meeting. Therefore Ms. Maxwell asked if the Commission would like to consider the proposal to move the April meeting back a week to April 4 – 5, 2012 in Nashville and meet on May 3 – 4, 2012 in Chattanooga thereby removing any scheduling conflicts. **Commissioner Alexander made a motion to make the proposed changes to the 2012 meeting schedule; seconded by Commissioner DiChiara; unanimous vote; motion carried.**

Chris Sexton, Director of Governmental Affairs for TAR, briefly addressed the Commission regarding TAR's Spring Conference being held at the end of March. He stated that he knows that the Commission as a whole usually does a Q&A with the members at the conference but understands that the scheduling of the TREC meeting in 2012 may prohibit the inclusion of the Q&A panel. He did, of course, welcome any Commissioner who would like to attend to do so.

The Commission returned to their discussion of the ARELLO Conference. Ms. Maxwell asked who among the Commissioners were interested in attending. Firstly, Commissioner Stephenson expressed interest followed by Commissioner DiChiara and Commissioner Michelle Haynes. Staff advised that they would send the appropriate travel request to the Administration for review and consideration.

There was a discussion of the subcommittee meeting regarding social media issues. Commissioner Alexander addressed disclosure through a contract, especially online contract submissions and suggested the topic of required disclosure also be addressed by the subcommittee because of the way the market is changing for BPOs and Foreclosures Brokers who are dealing with Fannie May and Freddie Mac who are not in a position to submit the proper disclosure forms when contracts are submitted online. Ms. Maxwell advised that the State of Nebraska has a rule that exempts certain transactions if they involve certain agencies for instance with HUD homes. **Commissioner DiChiara, Chair of the subcommittee, advised the Commission that the subcommittee agrees that instead of pursuing a rule change that legal counsel should compile information for presentation and propose guidelines to the full Commission. Therefore, Commissioner DiChiara made a motion to accept the subcommittee's recommendation; seconded by Commissioner Haynes; unanimous vote; motion carried.**

Ms. Maxwell discussed with the Commission the motion made last month regarding the decrease of the application fee that goes to the TREC Education & Recovery Fund. Ms. Maxwell and Mr. Green have spoken with the Assistant Commissioner and Wayne Pugh, General Counsel and they wish to discuss it further and she will report back to the Commission when they get back to her. She also explained that in the meantime Mr. Green has been working with the Information Systems staff to make it possible for the RBS system to recognize the \$10.00 fee instead of the \$30.00 fee. Ms. Maxwell explained to the attendees exactly how the Education and Recover Fund operates and what applicants contribute to the fund and the Commission's

thoughts on lowering the fee; at least for the time being until the fund needs more money to maintain the required balance for the account. Mr. Green advised that the issue being discussed by the Administration and Legal Division is whether the change in fees requires a rule change or if this change can be done by policy. Commissioner Alexander asked that the Commission be given a decision by the March 2012 meeting so the Commission can move forward to take the steps to make the change.

Ms. Maxwell began the discussion of the Errors & Omissions insurance Request for Proposal (RFP). She stated that she emailed each of the Commissioners a report highlighting the actions that the Commission and Staff have taken regarding the RFP since June 2011 and through January 2012. Ms. Maxwell recapped the motion that was made at the December meeting. Following is an excerpt from the December 2011 minutes: *"Commissioner Flitcroft restated the motion that the Request for Proposal (RFP) include a short period quote in addition to the two year period with the short period running from 1/1/2012 until license renewal and the second quote being for the entire two year period of 1/1/2013 – 1/1/2015; seconded by Commissioner Collins with a friendly amendment that it be designated that this would be an individual policy and not a master policy. After some additional discussion regarding costs to the licensee and to the provider, Commissioner McMullen made a motion to table the discussion and Commissioner Flitcroft's motion for one more month so TREC can get more information; seconded by Commissioner Collins; after further discussion about the feasibility of moving forward immediately, Commissioner McMullen withdrew his motion and made a new motion. Commissioner McMullen made a motion to amend Commissioner Flitcroft's motion to request in the RFP that the provider also include a proposal for providing insurance for a fixed four year term; seconded by Commissioner Alexander; motion as amended carried unanimously."* After the restatement of the motion, Ms. Maxwell advised the Commission that she had consulted with Wayne Pugh, General Counsel, and he advised that the Commission does have the authority to submit the RFP with two scenarios thereby affirming the motion as stated as the position of the Commission regarding the E&O RFP. Ms. Maxwell also reviewed the portion of the minutes that addressed bidding a policy that is a standard policy (not an endorsement) that would be bid with an increase in the limits of liability to \$1,000,000.

Chairman Northern recognized Cindy Rice Grissom, CEO of RISC (Rice) Insurance. Ms. Rice Grissom introduced herself to the attendees and for the record. She stated that she is from Rice Insurance who is the current E&O provider for the group policy for licensees on behalf of TREC. Ms. Grissom appeared to address a few issues that she says need clarification. She stated that the Commission is asking for a procedural step that has not been successful in any other state therefore running the risk of not finding a company to bid on the contract. She advised the Commission that Idaho attempted to have a system where the E&O insurance renewal ran with the license expiration and they were unsuccessful. She stated that her concern is that TREC should perhaps make an alternate proposal in the event that the price is significantly different from the current price. Ms. Grissom asked the Commission to clarify whether TREC will accept bids on one or the other proposals or if both are required to be a valid bid. She stated that to avoid confusion everything (i.e. rules for bidding) should be covered in the original RFP. She asked the Commission to consider the evaluation factors; for instance if the price for the new contract is significantly different than the price is now, how will it be evaluated. She stated that as a bidder insurance companies must consider all of those factors when putting a proposal

together. She advised that the Commission would want to make sure all of the factors are in the original RFP so if there are any questions after the bid is awarded, bidders won't say they did not understand the required procedures and therefore the RFP need be rebid. She stated that delays because if rebidding causes inconsistencies in the program.

Ms. Rice Grissom also addressed the Commission regarding the bidding of an option for limits of \$1,000,000. She advised that no carrier is writing a \$1,000,000 policy for an individual and they are only written for firms. She stated that it is a hardship on the bidders to require them to make something available that is currently not available on the market.

Chairman Northern called for questions for Ms. Rice Grissom. Commissioner Haynes asked her if she was inquiring about how the companies should be allowed to bid (i.e. three different ways or two different ways). Ms. Rice Grissom stated that her concern is that if TREC puts too many things in the RFP that are not currently available on the market, such as million dollar limits, then TREC may end up not having any responsive bids and have to start over with a new proposal. Chairman Northern asked about holding a pre-bid conference. Ms. Maxwell and Mr. Green expressed that they believe the Office of Contract Review (OCR) would make the determination as to whether a pre-bid conference should be held. It was stated that the Board can recommend a pre-bid conference but that OCR might not necessarily deem it necessary. Commissioner Collins stated that OCR should be able to overcome any obstacles when the contract is being bid. It was discussed that at a pre-bid conference, each one would ask questions and everyone would then hear the response. She explained to the Commission that from an actuarial standpoint, insurance companies are not interested in writing a policy for more than two years (usually just one year as Tennessee is the exception). She stated that a longer contract period would increase risk for the insurance company and therefore increase the premium offered to the licensees. She explained that the problem lies in issuing an individual policy instead of a group policy; mainly the eventual costs of premiums. She stated that her concern is what will prevent an independent carrier from coming in and saying that they are going to go the cheaper route and offer a two year program like has been done all along. She went on to say that if they write a group policy then their premiums would be less than a company who is required to write an individual policy. She explained that the ultimate effect of this scenario could mean that TREC would be left with no bidders. Ms. Rice Grissom thanked the Commission for allowing her to address them regarding her concerns.

After some additional discussion, Chairman Northern reiterated that what the Commission decided at the December meeting stood as the Commission's position. Mr. Green advised that the only issue that still needs to be discussed and finalized is the issue of changes to exclusions. Mr. Green read from a letter sent by E&O subcommittee Chairman, Commissioner Flitcroft regarding his thoughts. Commissioner Collins, member of the subcommittee, and Mr. Green agreed that if in that proposal TREC wants the option of keeping exemptions as they are as well as with an addition of a proposal that may be broader regarding exemptions. Mr. Flitcroft's letter read as follows and touched on the following points: *"At first blush, I considered the exclusions excessively broad, but upon further thought, the argument can be made that the price is kept low, by lowering the base price and endorsing the extra matters. No insurance ought to be provided for intentional wrong doing, that is clearly within the insured's control. Thus, items 1 (intentional) and 2 (no damage) should be excluded. Number 5 does give me some heart burn.*

*It is grossly unfair to exclude matters owned by a spouse and the 10% limitation is too broad, maybe a prorated reduction of coverage if less than 50% is owned. Finally, 6 and 7 ought to have broader coverage available by endorsement and additional costs.”* **Commissioner Collins made a motion to accept Commissioner Flitcroft’s summary letter with the exception of #1 & #2 and move forward with #3, #4 and #5; seconded by Commissioner Stephenson; unanimous vote; motion carried. Commissioner Collins made a motion regarding #6 and #7 stating that the cap on environmental endorsements should be removed; seconded by Commissioner DiChiara; unanimous vote; motion carried.** Ms. Rice Grissom asked to re-address the Commission regarding the exclusion involving ownership. Mr. Green advised the Commission that they may not want to potentially taint the process by hearing from the representative of the current provider during this portion of the discussion. **Commissioner Stephenson made a motion to suspend the rules of the meeting and allow Ms. Rice Grissom to address the Commission; seconded by Commissioner Haynes; vote: 5 yes, 1 no (Commissioner Collins voted no); motion carried.** Ms. Rice Grissom wished to clarify why the ownership exclusion is included in the policy. She stated that every policy has this exclusion because it is against the tenants of an insurance company to allow someone to profit from their own negligence (i.e. Failure to disclose factors that decrease the value of the house). She stated that she wants to make sure that the alternate providers are aware of the entire requirement to make a bid on the RFP and that the same exclusions must be incorporated into the alternate programs as well. Mr. Green asked if the Commission wishes to broaden the ownership exclusion and if so, how much? Speaking on behalf of the subcommittee, **Commissioner Collins made a motion to change the percentage from 25% as opposed to 10% in regards to personal interest; seconded by Commissioner Stephenson; unanimous vote; motion carried.** Ms. Maxwell talked briefly about extending the time for which someone can purchase tail coverage. Chairman Northern stated that since no motion was made regarding the issue of tail coverage, that the Commission is satisfied with it as is in the current contract. Mr. Green stated that he does not believe he needs any additional information to move forward with the RFP for E&O.

**Commissioner Collins made a motion to adjust the agenda and move forward to the Legal Report; seconded by Commissioner DiChiara; unanimous vote; motion carried.**

Chairman Northern left the meeting for a separate meeting with the Administration so Vice-Chairman Stephenson took over as Chair in his absence and continued to act as chair until the meeting adjourned. Commissioner Northern returned to the meeting room during the Legal Report in the middle of the discussion of a complaint and abstained from that vote before taking part again in the proceedings.

#### **LEGAL REPORT, MARK GREEN, ASSISTANT GENERAL COUNSEL**

- 1) 2011021011&**
- 2) 2011021012 &**
- 3) 2011021013 &**
- 4) 2011021051 – Commissioner Alexander made a motion to defer the complaints until the March 2012 meeting as Commissioner Flitcroft has reviewed the file and he was absent from the meeting; seconded by Commissioner DiChiara; unanimous vote; motion carried.**

- 5) 2011027841 &
- 6) 2011027821 &
- 7) 2011027791 – Commissioner Collins made a motion to accept legal counsel’s recommendation; seconded by Commissioner DiChiara. Legal Counsel’s recommendations are as follow: Regarding Number 5, Respondent 2011027841 – Issue a Consent Order for \$3,000.00 for violation of T.C.A. § 62-13-312(b)(14)(16) [failure to take administrative action], T.C.A. § 62-13-312(b)(20) [conduct that is improper, fraudulent or dishonest dealing], T.C.A. § 62-13-313(a)(2) [failure to respond to a complaint filed by the Commission], T.C.A. § 62-13-310(a) [acting as an affiliate without having been transferred under contract with the new broker or acting without a broker]. Additionally, attendance at a two-day scheduled TREC meeting within six months and six (6) additional hours of ethics continuing education within six months. Regarding Number 6, Respondent 2011027821 – Issue a Consent Order with a civil penalty of \$4,000.00 for violation of T.C.A. § 62-13-312 (b)(14)(15) [failure to supervise an affiliate] T.C.A. § 62-13-312(b)(16) [failure to take administrative action for an affiliate broker], T.C.A. § 62-13-312(20) [conduct that is improper, fraudulent or dishonest dealing], T.C.A. § 62-13-31-310(a) [allowing an affiliate broker to work in firm without having been transferred under contract with the new broker or acting without a broker]. Additionally, attendance at a two-day scheduled TREC meeting within six months and three (3) additional hours of ethics and three (3) additional hours of office management continuing education within six months. Regarding Number 7, Respondent 2011027791 - Dismiss though due to the public records requirement of the office there does not appear to be a mechanism to expunge this complaint. The Commission could direct a letter be sent stating it sees no evidence of any wrongdoing on this person’s behalf. It was a unanimous vote; motion carried.
- 8) 2011028171 &
- 9) 2011028172 – Commissioner DiChiara made a motion to accept legal counsel’s recommendation to issue a Consent Order with a civil penalty of \$7,000.00 for violation of T.C.A. § 62-13-313(b)(14) [failing to license as a time share program], T.C.A. § 66-32-126, T.C.A. § 62-13-312(b)(1) [willful misrepresentation], T.C.A. § 62-13-312(b)(2) [making a promise to induce a person to enter into a contract]; T.C.A. § 62-13-312(b)(3) [pursuing a course of flagrant misrepresentation ]; T.C.A. § 62-13-312(b)(5) [failing to account for money belonging to another]; T.C.A. § 62-13-312(b)(20) [engaging in conduct that is improper, fraudulent and dishonest dealings]; T.C.A. § 62-13-313(a)(2) [failing to respond to a complaint filed by the Commission]; seconded by Commissioner Collins; unanimous vote; motion carried.
- 10) 2011028891 – Commissioner Collins made a motion to accept legal counsel’s recommendation to dismiss; seconded by Commissioner Haynes; unanimous vote; motion carried.
- 11) 2011028811 – Commissioner DiChiara made a motion to accept legal counsel’s recommendation to dismiss; seconded by Commissioner Haynes; unanimous vote; motion carried.
- 12) 2011025401 – Commissioner Alexander made a motion to accept legal counsel’s recommendation to issue a Consent Order with a civil penalty of \$5,000.00 for violation of T.C.A. § 62-13-312(b)(1) [willful misrepresentation], T.C.A. § 62-13-312(b)(2) [making a promise to induce a person to enter into a contract]; T.C.A. § 62-

- 13-312(b)(3) [pursuing a course of flagrant misrepresentation]; T.C.A. § 62-13-312(b)(20) [engaging in conduct that is improper, fraudulent and dishonest dealings]; T.C.A. § 62-13-313(a)(2) [failing to respond to a complaint filed by the Commission]; seconded by Commissioner Collins; unanimous vote; motion carried.
- 13) 2011027691 – Legal Counsel requested a deferral of the complaint because he received additional information for review. Commissioner Alexander made a motion to defer the complaint; seconded by Commissioner Collins; unanimous vote; motion carried.
- 14) 2011028181 &
- 15) 2011028182 – Commissioner Collins made a motion to accept legal counsel’s recommendation to dismiss with a Letter of Instruction to both Respondents; seconded by Commissioner Haynes; unanimous vote; motion carried.
- 16) 2011030671 – Commissioner Haynes made a motion to accept legal counsel’s recommendation to dismiss with a Letter of Warnings; seconded by Commissioner DiChiara; unanimous vote; motion carried.
- 17) 2011030691 &
- 18) 2011030411 – Legal Counsel requested a deferral of the complaint because he received additional information for review. Commissioner DiChiara made a motion to defer the complaint; seconded by Commissioner Collins; unanimous vote; motion carried.
- 19) 2012000781 &
- 20) 2012000791 – Commissioner DiChiara made a motion to accept legal counsel’s recommendation to dismiss; seconded by Commissioner Haynes; unanimous vote; motion carried.
- 21) 2011029131 &
- 22) 2011029141 – Commissioner Alexander made a motion to issue a Consent Order to Respondent 2011029131 (Principal Broker) with a civil penalty of \$5,000.00 for violation of T.C.A. § 62-13-312(b)(5), T.C.A. § 62-13-312 (14), T.C.A. § 62-13-31(20), T.C.A. § 62-13-403(6) [failure to timely account for trust fund deposits] and Rule 1260.02-09(3) and Rule 1260.02-09(8) [broker at all times responsible for funds of escrow deposits] and issue a Consent Order for \$4,000.00 to Respondent 2011029141 (Firm) for violation of T.C.A. § 62-13-312(b)(5), T.C.A. § 62-13-312 (14), T.C.A. § 62-13-31(20), T.C.A. § 62-13-403(6) [failure to timely account for trust fund deposits] for total civil penalty of \$9,000.00; seconded by Commissioner Collins; vote: 5 yes, 0 no, Commissioner Northern abstained; motion carried
- 23) 2011029171 &
- 24) 2011029181 – Commissioner Northern made a motion to dismiss; seconded by Commissioner DiChiara; unanimous vote; motion carried.

Commissioner Alexander made a motion to defer the review of the February Consent Order Log until the March 2012 meeting; seconded by Commissioner DiChiara; unanimous vote; motion carried.

### **EDUCATION REPORT, STEVE MCDONALD, EDUCATION DIRECTOR**

Mr. Steve McDonald, Education Director, presented Courses for Commission Evaluation.

**Commissioner Collins made a motion to approve the Courses for Commission Evaluation; seconded by Commissioner Northern; unanimous vote; motion carried.**

Mr. McDonald presented the following Instructor Reviews for the month of February 2011:

- Sally Cummings of TAR (#1110) requested the approval of Curtis Hall to teach the following approved TREC Courses:
  - #2627 ABR 2 days
  - #6712 BPO's: Agents Role in Valuation
  - #6396 Real Estate Marketing Reboot
  - #6251 HAFA (Home Affordable Foreclosure Alternative) Short Sales
  - #6860 Green 100: Real Estate for Sustainable Future
  - #6861 Green 200: Science for Green Building
  - #6862 Greening your Real Estate Business
- Tara Herman of Sterling Education Services (#1345) requested the approval of Lars Schuller and Charity Miles to teach approved the approved courses:
  - #6149 Landlord Tenant Law

**Commissioner DiChiara made a motion to approve the Instructors for Review; seconded by Commissioner Northern; unanimous vote; motion carried.**

Mr. McDonald discussed with the Commission the proposed curriculum for the 2013 – 2014 TREC Core Course because, as he explained, the providers need guidance so they can properly prepare their course. Commissioner DiChiara expressed that she does not believe that six hours is an adequate amount of time to cover all of the proposed topics. She proposed that perhaps the credit hours should be increased or some of the Commercial Real Estate laws should be taught in a Commercial Core Class instead of the regular Core Course. It was decided that the topic would be placed back on the agenda at a future meeting to allow Mr. McDonald and Commissioner DiChiara an opportunity to discuss this matter.

Mr. McDonald advised the Commission that he was going to begin notifying the providers regarding the upcoming renewal of their courses and instructors due by September 1, 2012. He asked the Commission how they would like for the renewals to be handles administratively. Mr. McDonald proposed that he could contact all of the current providers to advise them of the renewal cycle and send them a list of all of their current approved courses, credit hours and instructors. He will advise the schools that if there is no change in the courses or instructors since approval then that provider could go ahead and pay the renewal fees established by the Commission. He further advised that if a provider had made a substantial change to a course or if a different instructor is teaching (or their credentials have changed) then a new packet of information should be submitted for those courses and/or instructors with the appropriate fees.

The Commission discussed with Staff the need for Mr. McDonald to audit courses to ensure that the course outline that is submitted to TREC for approval is being followed. They stated that Mr. McDonald needs the latitude to audit any course of his choosing. Commissioner Haynes asked if the Commissioners also have the latitude to audit courses. Ms. Maxwell advised her that yes

they do have that latitude and inquired as to whether they would prefer for the providers to know that a Commissioner is coming ahead of time or if the Commissioner would just drop in to audit a course. The Commission discussed this briefly and the general consensus appeared to be that a “drop in” approach would be more useful but that would raise questions as to course fees and class rosters. Ms. Maxwell suggested that Mr. McDonald could send a letter to all of the providers notifying them that at any time a Commissioner may come in to audit a course.

**After the discussion, Commissioner DiChiara made a motion to accept Mr. McDonald’s recommendations regarding course renewals later in the year; seconded by Commissioner Haynes; unanimous vote; motion carried.**

Commissioner Alexander stated that he has concerns about the use of laptops, iPads or other tablets, cell phones or other electronic devices in the meeting or in the approved courses. It was determined that Mr. McDonald should bring a draft of a policy in to the full Commission to discuss regarding the use of these devices in courses.

Mr. McDonald advised the Commission that he is currently working with the department’s Information Systems division to update the link to Approved Schools and Courses and make it more user-friendly. He stated that the collaboration should make the use of the link on the TREC website for efficient by a change in format.

Commissioner Northern asked Ms. Maxwell to update the Commission on the resignation of Commissioner Valerie Joh from the Commissioners. Ms. Maxwell explained that Commissioner Joh believes it in her best interest and the best interest of the Commission if she steps down. She explained that she has had some health issues and she also serves as an elected Alderman for the City of Kingsport and that these meetings, at times, conflict with the TREC meetings. Ms. Maxwell read the letter of resignation that Commissioner Joh to Governor Haslam. **Commissioner Collins made a motion that Staff writes a letter from all of the Commissioners to Commissioner Joh expressing their appreciation for her service to TREC; seconded by Commissioner Northern; unanimous vote; motion carried.**

Commissioner DiChiara made a motion to adjourn the meeting; seconded by Commissioner Haynes; unanimous vote; motion carried.

Vice-Chairman Stephenson adjourned the meeting on Thursday, February 9, 2012 at 1:30 p.m.