



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 July 11, 2018 at 8:30 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 John Griess welcomed everyone to the Board meeting.

Executive Director Caitlin Maxwell read the public disclaimer and called the roll. The following Commission Members were present: Chairman John Griess, Commissioner Austin McMullen, Commissioner Diane Hills, Commissioner Fontaine Taylor, Commissioner Richard Douglass, Commissioner Gary Blume, and Commissioner Johnny Horne. Commissioner Bobby Wood and Commissioner Marcia Franks were absent. Quorum Confirmed. Others present: Chief Counsel Denard Mickens, Assistant General Counsel Anna D. Matlock, Assistant General Counsel Erica Smith, Assistant General Counsel Kelsey J. Bridges, paralegal Amanda Dean, Executive Director Caitlin Maxwell, Education Director Ross White, and board staff Aaron Smith.

The July 11, 2018 board meeting agenda was submitted for approval.

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

Minutes for the June 13, 2018 board meeting were submitted for approval.

Motion to approve the June 13, 2018 minutes was made by Commissioner Taylor and seconded by Commissioner Horne. Motion passed unanimously.

INFORMAL APPEARANCES

Shawn Brooks appeared before the Commission along with Principal Broker Christopher Claybough. Mr. Brooks requested approval to obtain his Time Share Salesperson license.

Motion to approve Mr. Brooks was made by Commissioner Hills and seconded by Commissioner Taylor. Motion passed unanimously.

Christopher Thompson appeared before the Commission along with Principal Broker Tamera Buie. Mr. Thompson requested approval to obtain his Affiliate Broker license.

Motion to approve Mr. Thompson was made by Commissioner Blume and seconded by Commissioner McMullen. Motion passed unanimously.

EDUCATION REPORT

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

Motion to approve courses J1-J31 was made by Commissioner Taylor and seconded by Commissioner Hills. Motion passed unanimously.

Motion to approve Instructors presented was made by Commissioner Hills and seconded by Commissioner Taylor. Motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Caitlin Maxwell updated the Commission on the upcoming Continuing Education renewal process and in addition updated the Commission on the update to the PSI application.

COMMISSION DISCUSSIONS

The chair suggested Commission discussions be moved to the August 8, 2018 meeting of the Tennessee Real Estate Commission and there were therefore no commission discussions.

LEGAL UPDATE

Assistant General Counsel Anna Matlock updated the Commission on the proposed rules for fee reduction, specifically Rule 1260-01-.12(4)(i). A handout with an updated redline version of the rules was provided to each commissioner. Assistant General Counsel Anna Matlock presented the amendment to the fee reduction rules. The amendment addressed and remedied the

inconsistency of the provision for the handling of bad checks to comport with state law. Commissioner Hills motion to approve the amendment to the proposed rules and seconded by Commissioner McMullen. Motion passed unanimously.

CONSENT AGENDA & 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 Blume requested to pull case 2018006601, 2018006631, 2018007721, 2018008641 and 2018013611 from the consent agenda. The Commission voted to accept the recommendation of legal counsel on all other cases. Motion made by Commissioner Taylor to accept the recommendation of legal counsel to dismiss all cases listed on the consent agenda, seconded by Commissioner Hills. Motion passed unanimously.

1. 2018013931	10. 2018016801	30. 2018013611	20. 2018007741
2. 2018013951	11. 2018017311	31. 2018012961	21. 2018008581
3. 2018014651	12. 2018018371	32. 2018013051	22. 2018008521
4. 2018014971	13. 2018018731	33. 2018014511	23. 2018008561
5. 2018015091	14. 2018018901	34. 2018015161	24. 2018008641
6. 2018015971	15. 2018019071	35. 2018015191	25. 2018009831
7. 2018015961	16. 2018019121	36. 2018014721	26. 2018009911
8. 2018016191	17. 2018006601	37. 2018016351	27. 2018010731
9. 2018016781	18. 2018006631	38. 2018016311	28. 2018011291
	19. 2018007721		29. 2018012901

After further discussion by the Commission, Commissioner Blume made the motion to dismiss cases 2018006601 and 2018006631 seconded by Commissioner Horne. Motion passed unanimously.

After further discussion by the Commission, Commissioner Blume made the motion to dismiss case 2018007721, seconded by Commissioner Hills. Motion passed unanimously.

After further discussion by the Commission, Commissioner Blume made the motion to dismiss case 2018008641, seconded by Commissioner Hills. Motion passed unanimously.

After further discussion by the Commission, Commissioner McMullen made the motion to dismiss case 2018013611, seconded by Commissioner Taylor. Motion passed unanimously.

Legal Report:

Kelsey J. Bridges

- 1. 2018021491**
Opened: 4/3/2018
First Licensed: 9/29/1998
Expires: 6/23/2019
Type of License: Real Estate Broker
History: None

Recommendation: Dismiss.

Decision: The Commission accepted Counsel's recommendation.

Motion made by Commissioner Griess and seconded by Commissioner Hills. The motion passed 5-0 with Commissioner Douglass recusing himself and Commissioner Blume abstaining.

- 2. 2018021511**
Opened: 4/3/2018
First Licensed: 1/11/2007
Expires: 3/31/2020
Type of License: Principal Broker
History: 2016 Consent Order for failure to supervise and exercise reasonable skill and care with a \$250 civil penalty and 6 hours CE in property management

Recommendation: Dismiss.

Decision: The Commission accepted Counsel's recommendation.

Motion made by Commissioner Blume and seconded by Commissioner Hills. The motion passed 6-0 with Commissioner Douglass recusing himself.

- 3. 2018030391**
Opened: 5/8/2018
First Licensed: 10/19/2015
Expires: 10/18/2019
Type of License: Affiliate Broker
History: None

Recommendation: \$1,000 civil penalty.

Decision: The Commission voted to issue a Consent Order with a \$2,000 civil penalty.

Motion made by Commissioner Hills and seconded by Commissioner Taylor. The motion passed 6-0 with Commissioner Douglass recusing himself.

- 4. 2018028351**
Opened: 5/2/2018
First Licensed: 2/23/2004
Expires: 5/13/2019
Type of License: Principal Broker
History: None

Recommendation: Dismiss.

Decision: The Commission accepted Counsel's recommendation.

Motion made by Commissioner Blume and seconded by Commissioner Taylor. The motion passed unanimously.

- 5. 2018004771**
Opened: 1/22/2018
First Licensed: 1/31/2013
Expires: 1/30/2017
Type of License: Affiliate Broker – Suspended & Expired
History: 2017 E&O Suspension

Recommendation: \$1,000 civil penalty for unlicensed activity.

Decision: The Commission voted to issue a \$3,000 civil penalty for unlicensed activity and to send a cease and desist letter.

Motion made by Commissioner Taylor and seconded by Commissioner Hills. The motion passed unanimously.

- 6. 2018004811**
Opened: 1/22/2018
First Licensed: 6/24/2011
Expires: 11/18/2018
Type of License: Principal Broker
History: 2017 Consent Order with \$400 civil penalty for failure to maintain affiliate's E&O insurance

Recommendation: \$1,000 civil penalty for the violation of Tenn. Code Ann. § 62-13-403.

Decision: The Commission accepted Counsel's recommendation.

Motion made by Commissioner Griess and seconded by Commissioner Blume. The motion passed unanimously.

- 7. 2018011061**
Opened: 2/20/2018
First Licensed: 2/5/1998
Expires: 2/26/2020
Type of License: Affiliate Broker
History: None

Recommendation: \$500 civil penalty for the violation of Tenn. Code Ann. § 62-13-403.

Decision: The Commission voted to issue a \$3,000 civil penalty for the violation of Tenn. Code Ann. § 62-13-403.

Motion made by Commissioner Taylor and seconded by Commissioner Hills. The motion passed 4-3 with Commissioner Griess, Commissioner McMullen, and Commissioner Douglass voting against.

- 8. 2018011091**
Opened: 2/20/2018
First Licensed: 5/28/2003
Expires: 6/29/2019
Type of License: Principal Broker
History: None

Recommendation: \$500 civil penalty for a failure to supervise and Respondent's attendance at a principal broker core class, above and beyond what is required for maintenance of Respondent's license, to be completed within 365 days.

Decision: The Commission recommended a \$1,000 civil penalty for a failure to supervise and Respondent's attendance at a principal broker core class, above and beyond what is required for maintenance of Respondent's license, to be completed within 365 days.

Motion made by Commissioner Taylor and seconded by Commissioner Hills. The motion passed 6-1 with Commissioner Douglass voting against.

- 9. 2018014591**
Opened: 3/1/2018
First Licensed: 7/18/2005
Expires: 7/17/2019

Type of License: Real Estate Firm

History: None

Recommendation: \$500 civil penalty for failure to exercise reasonable skill and care in violation of Tenn. Code Ann. § 62-13-403.

Decision: The Commission recommended a \$1,000 civil penalty for failure to exercise reasonable skill and care in violation of Tenn. Code Ann. § 62-13-403 and for the handling of trust money, Rule 1260-02-.09(8).

Motion made by Commissioner Taylor and seconded by Commissioner Hills. The motion passed unanimously.

10. 2018014991

Opened: 3/7/2018

First Licensed: 1/28/2005

Expires: 5/5/2019

Type of License: Principal Broker

History: None

Recommendation: Letter of Warning.

Decision: The Commission recommended a Letter of Instruction with language about not withdrawing an offer without discussing it with the client.

Motion made by Commissioner Horne and seconded by Commissioner Griess. The motion passed unanimously.

11. 2018014971

Opened: 3/7/2018

First Licensed: 3/14/1980

Expires: 7/5/2018

Type of License: Real Estate Broker

History: None

Recommendation: Dismiss.

Decision: The Commission accepted Counsel's recommendation.

Motion made by Commissioner Taylor and seconded by Commissioner Hills. The motion passed unanimously.

12. 2018016071

Opened: 3/13/2018

First Licensed: 5/10/2016

Expires: 5/9/2020

Type of License: Affiliate Broker

History: None

Recommendation: Letter of Warning.

Decision: The Commission voted to dismiss the complaint.

Motion made by Commissioner Taylor and seconded by Commissioner Hills. The motion passed unanimously.

13. 2018016101

Opened: 3/7/2018

First Licensed: 7/3/2007

Expires: 8/2/2018

Type of License: Principal Broker

History: 2018 Consent Order with \$500 civil penalty and 4 hours core continuing education for failure to supervise.

Recommendation: Dismiss.

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Hills and seconded by Commissioner Horne. The motion passed 6-0 with Commissioner Taylor was not present.

14. 2018018881

Opened: 3/21/2018

First Licensed: 12/1/2016

Expires: 11/30/2018

Type of License: Principal Broker

History: None

Recommendation: \$1,000 civil penalty and mandated education (Core) above and beyond what is required to maintain Respondent's license, to be completed within 365 days.

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Hills and seconded by Commissioner Griess. The motion passed 6-0 with Commissioner Taylor abstaining.

Re-present

2018006121

Opened: 1/29/2018

First Licensed: 4/13/2005

Expires: 1/28/2019

Type of License: Real Estate Broker
History: None

Recommendation: Dismiss.

Decision: The Commission voted to defer until next month to obtain additional information from seller.

New Recommendation: Letter of warning.

New Decision: The Commission voted to issue a Letter of Instruction.

Motion made by Commissioner Hills and seconded by Commissioner Horne. The motion passed unanimously.

15. 2018006141

Opened: 1/29/2018
First Licensed: 4/13/2005
Expires: 1/28/2019
Type of License: Real Estate Broker
History: None

Previous Recommendation: Dismiss.

Previous Decision: The Commission voted to defer until next month to obtain additional information from seller.

New Recommendation: Dismiss.

New Decision: The Commission voted to issue a Letter of Instruction.

Motion made by Commissioner Blume and seconded by Commissioner Hills. The motion passed unanimously.

Erica Smith

16. 2018012761

Opened: 2/22/2018
First Licensed: 5/30/2008
Expires: 5/29/2020
Type of License: Affiliate Broker
History: None

Recommendation: Letter of Warning citing Rule 1260-02-.12(3)(f).

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Horne and seconded by Commissioner Douglass. The motion passed 6-1 with Commissioner Blume voting against.

17. 2018012781

Opened: 2/22/2018

First Licensed: 11/14/2012

Expires: 3/10/2020

Type of License: Principal Broker

History: None

Recommendation: Letter of Warning for failure to supervise regarding misleading or false advertising by the affiliate broker.

Decision: The Commission voted to issue a \$250 civil penalty for failure to supervise regarding misleading or false advertising by the affiliate broker.

Motion made by Commissioner Hills and seconded by Commissioner Griess. The motion passed 4-2 with Commissioner Douglass and Commissioner Horner voting against. Commissioner Blume abstained from voting.

18. 2018013191

Opened: 3/2/2018

First Licensed: 8/14/2014

Expires: 8/13/2018

Type of License: Affiliate Broker

History: None

Recommendation: Dismiss.

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Griess and seconded by Commissioner Horne. The motion passed unanimously.

19. 2018013171

Opened: 3/2/2018

First Licensed: 5/3/1989

Expires: 9/5/2018

Type of License: Real Estate Broker

History: None

Recommendation: Dismiss.

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Taylor and seconded by Commissioner Hills. The motion passed unanimously.

20. 2018013211

Opened: 3/2/2018

First Licensed: 10/19/2001

Expires: 4/13/2019

Type of License: Principal Broker

History: 2017 Letter of Warning for failure to supervise; 2013 Consent Order

Recommendation: Dismiss.

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Taylor and seconded by Commissioner Blume. The motion passed unanimously.

21. 2018023841

Opened: 4/13/2018

First Licensed: 9/11/2007

Expires: 9/10/2019

Type of License: Affiliate Broker

History: None

Recommendation: Letter of Warning for violation of TCA 62-13-312(b)(8).

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Horne and seconded by Commissioner Griess. The motion passed unanimously.

22. 2018023881

Opened: 4/13/2018

First Licensed: 3/28/2003

Expires: 12/12/2018

Type of License: Principal Broker

History: None

Recommendation: Dismiss and open complaint against the prior principal broker.

Decision: The Commission voted to dismiss the complaint.

Motion made by Commissioner Hills and seconded by Commissioner Douglass. The motion passed unanimously.

Re-Presents

23. 2017074071

Opened: 11/13/2017

First Licensed: 11/1/2016

Expires: 10/31/2018

Type of License: Affiliate Broker

History: None

Recommendation: Consent Order assessing a \$1,500 civil penalty for failure to respond and for an advertising violation citing Tenn. Comp. R. & Regs. 1260-02-.12(3)(b) and T.C.A. § 62-13-104(b)(8)(A)

Decision: The Committee voted to assess a civil penalty of \$2,000 for failure to respond and for an advertising violation of Tenn. Comp. R. & Regs. 1260-02-.12(3)(b) and T.C.A. § 62-13-104(b)(8)(A).

New Recommendation: Reducing the civil penalty from \$2,000 to \$1,000, only assessing a civil penalty for the advertising violation.

Decision: The Commission accepted Counsel's recommendation.

New Recommendation: Voiding the Consent Order and processing the signed Agreed Citation and \$500 payment for the civil penalty as originally offered to Respondent.

New Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Taylor and seconded by Commissioner Blume. The motion passed 6-1 with Commissioner Hills voting against.

24. 2018000921

Opened: 1/3/2018

First Licensed: 11/14/2000

Expires: 4/10/2020

Type of License: Real Estate Broker

History: 2018 Consent Order and \$1,000 Civil Penalty for failure to supervise that an affiliate has E&O insurance

Recommendation: Dismiss.

Decision: The Commission voted to defer until next month to give Respondent an opportunity to respond.

New Recommendation: Counsel recommends a Letter of Warning citing Rule 1260-02-.12 be issued to Respondent and recommends sending Letter of Warning to the principal broker for Respondent as well as failure to supervise the affiliate broker's advertising.

New Decision: The Commission voted to dismiss the complaint.

Motion made by Commissioner Douglass and seconded by Commissioner Griess. The motion passed unanimously.

Meeting adjourned by Chairman John Griess at 2 p.m.



Tennessee Real Estate Commission
Notice of Formal Hearing Meeting
Davy Crockett Tower Room 1A
500 James Robertson Parkway
Nashville, TN 37243

Notice of Formal Hearing

Board: Real Estate Commission

Respondent: David Floyd

Date: Thursday, July 12, 2018

Time: 9:00 CST AM

Location: Nashville, TN Davy Crockett Tower Room 1A