



TREC Advisor

Texas Real Estate Commission ☆ Volume 11, Number 3 • September 2000

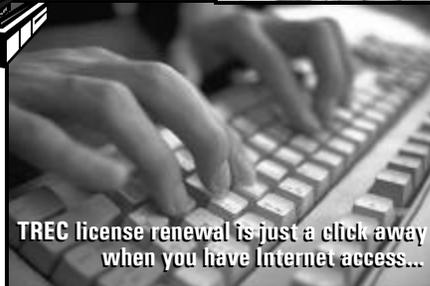
Broker Renewal Now Available Via Internet



ANY REAL ESTATE BROKER with a credit card and access to the Internet can take advantage of a new process for license renewal. Beginning August 15th, this new process went on-line for Texas brokers—providing 24-hour access and credit card efficiency for those who renew a license over the Internet.

POINT AND CLICK, follow the on-screen directions and before you know it your broker license is renewed and you can get on with real estate business as usual.

Sheri Lynn Cowan recently logged onto the TREC website (www.trec.state.tx.us) and renewed her broker license within minutes.



TREC license renewal is just a click away when you have Internet access...

TREC is the first of six state agencies participating in a pilot project to provide on-line license renewals. The process for renewing a license on-line is easy and efficient. Once a broker receives a license renewal notice, he or she can click on the License Renewal button on the TREC web site. After the broker fill in the appropriate information on-line, TREC's system validates the data required to renew a license. Then the licensee is connected with a payment portal—a vendor contracted by the state which processes credit card payments at a small convenience fee. Once the payment is authorized, the broker is re-connected with the TREC web site and a receipt page is produced to be printed for the licensee's records. This process eliminates the delay imposed by mailing the renewal and provides the convenience of credit card payment.

The system will only accept renewals from those who have received a renewal notice and only for the appropriate license. In the future, the ability to renew all types of TREC licenses as well as the filing of original applications will become available.

New Home Forms Change September 1 Insulation Addendum Repealed

EFFECTIVE September 1, 2000, both new home contract forms have been replaced. New TREC No. 23-4 [New Home Contract (Incomplete Construction)] and TREC No. 24-4 [New Home Contract (Completed Construction)] were revised to include a notice from Texas Property Code, Chapter 27, that builders will be required to provide beginning September 1. The notice advises the buyer that the buyer must notify the builder by certified mail at least 60 days prior to filing suit to recover damages from the builder and must provide the builder with an

opportunity to inspect the property and cure a construction defect. Provisions about insulation in the home have been transferred to both contracts from the TREC Insulation Addendum, TREC No. 13-1, which has been repealed. TREC No. 23-4 also has been revised to clarify that the seller is responsible for any "rollback" taxes or penalties imposed after closing due to denial of a special use valuation on the property or a change in the use of the property by the seller for periods prior to closing.

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THE MISSION of the Texas Real Estate Commission is to assist and protect consumers of real estate services, and foster economic growth in Texas. Through its programs of education, licensing and industry regulation, the Commission ensures the availability of capable and honest real estate service providers.

TEXAS REAL ESTATE COMMISSION **Meeting Highlights**

Official publication of the
Texas Real Estate Commission
Volume 11, Number 3 • September 2000

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Governor

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Broker member

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Vice-Chairperson
Broker member

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Wayne Thorburn

Desktop Publisher
Dan White, Jr.

The TRECAdvisor (ISSN 1047-4579) is published by the Texas Real Estate Commission (TREC) as an educational service to licensees in the state of Texas. The purpose of the newsletter is to promote a better understanding of the Real Estate License Act and to inform all licensees of changes affecting laws and practices in the real estate industry. The TRECAdvisor is funded through legislative appropriations and subscriptions collected from TREC licensees. The official text of TREC rules is filed with the Office of the Secretary of State, Texas Register. TREC encourages reproduction of this newsletter with the appropriate acknowledgments. Subscriptions are available for \$4.00 for two years. Single issues are \$1.00. To order a subscription or a single issue write to TRECAdvisor, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188. For information regarding TREC, contact:

Texas Real Estate Commission
P.O. Box 12188
Austin, Texas 78711-2188
(512) 459-6544 or (800) 250-TREC
<http://www.trec.state.tx.us>
TREC Fax (512) 419-1623



June 22, 2000

A number of new rules and amendments were adopted by TREC through its rule review process during a meeting held on Thursday, June 22, 2000. Several amendments and repeals were made concerning license renewals, place of business, fees, inactive licenses and change of sponsorship. Provisions were included to allow for electronic license renewals once necessary computer systems have been developed within TREC. Action was then taken to complete the rule review process for these sections by readopting 22 TAC §§535.91-535.123 as modified by the amendments and repeals.

Since education transcripts and related qualifying documents for new broker and salesperson applicants cannot be evaluated on-line, the Commission amended 22 TAC §535.51 to require that all such documents be submitted prior to filing an initial license application. The rule further provides that at some future time when electronic licensing is implemented by TREC, applicants will have 60 days from the time they file an on-line application to submit hard copy forms containing a personal signature, photograph; and in the case of a salesperson application, a sponsoring broker signature.

Commissioners withdrew pending amendments for three rule sections governing standard contract forms (22 TAC §§537.33, 537.42, and 537.46). These proposals were referred to the Broker-Lawyer Committee for further review. Other changes to 22 TAC §§537.11, 537.30, 537.31, and repeal of 537.24 regarding standard contract forms were approved. An amendment to 22 TAC §535.64, concerning accreditation of proprietary real estate schools and approval of courses and instructors, was also approved.

Proposed rule changes were discussed regarding non-residents, disciplinary action, hearings, unlicensed activity, and suits for compensation. Possible final action on these measures may occur at the Commission's next meeting scheduled for August 14th. A brief discussion was also conducted on the upcoming legislative appropriations request process and possible inclusion of specific budget items.

The Commission concluded its meeting by authorizing a comprehensive review of rules relating to registered easement or right-of-way agents and residential rental locators; approval of one payment from the real estate recovery

tor to extend an agency contract with the Experior company for examination development and administration.

August 14, 2000

TREC's proposed biennial appropriations request was discussed and approved for submission to the legislature

TREC staff announced to the Commission during its meeting on Monday, August 14th, that the agency will now be able to accept applications for electronic license renewals from individual real estate brokers by way of the Internet effective August 15th (please see related *Advisor* story, page 1).

Final approval was given under TREC's rule review process to re-adopt 22 TAC §§535.131-535.192 concerning provisions of The Real Estate License Act, as modified by various repeals and amendments that will become effective October 1, 2000. These rules pertain to non-residents, disciplinary actions, hearings, unlicensed activity, and suits for compensation. Action was also taken to adopt the agency's biennial operating plan; and approve two claims for payment from the real estate recovery fund. TREC's proposed biennial appropriations request was discussed and approved for submission to the legislature during its next session beginning in January 2001.

As a follow-up to earlier rule changes requiring re-accreditation of existing proprietary real estate schools by January 1, 2001 (§535.64), the Commission delegated authority to TREC staff to approve or disapprove accreditation applications. Should an application be disapproved, an appeal of that decision can be made directly to the Commission.

In connection with the on-going process of rule reviews, the Commission agreed to propose a number of changes or repeals governing licensed inspectors (22 TAC §§535.205-535.226) and registered easement or right-of-way agents (22 TAC §35.400, §535.403). These proposed changes relate to application and renewal procedures for licensing or registration within these professions, as well as to certain standards of qualification and practice for licensed inspectors. Deliberation upon the details of these proposals will begin at the Commission's next meeting scheduled for

ARELLO Southern District Members Come To Austin

WITH AN OFFICIAL LETTER OF GREETINGS from Governor George W. Bush, members of the Association of Real Estate License Law Officials (ARELLO) convened their annual Southern District Conference on June 22-24. This year's meeting, hosted by the Texas Real Estate Commission (TREC), attracted 150 real estate regulatory officials, staff, affiliates, and interested guests from 12 states. By all accounts, participants felt the program was both highly informative and well organized in making maximum effective use of their three-day stay in Austin.

The conference featured numerous outstanding speakers and up-to-the-minute workshop discussions concerning recent issues, trends, and developments within the real estate profession. Program highlights included presentations on legal developments in real estate, timely economic trends, ethics in real estate, and the impact of the North American Free Trade Agreement (NAFTA) on cross-border real estate transactions. Recognized experts in the real estate and regulatory field conducted informative and interesting workshops on such topics as consumer protection involving Internet activities; new trends in professional real estate business practices; fees for service versus one stop shopping; and regulatory challenges dealing with referrals for brokerage and affinity group relocation services.



ARELLO speakers and workshop panelists shared their expertise on a variety of issues of importance to regulators, consumers, and real estate practitioners.



Commissioner Kay Sutton presided over a panel of national experts on the topic of affinity groups, relocation programs, and referral fees.

In his welcoming remarks, TREC Chairman Mike Brodie told those in attendance at the opening session that, "TREC stands among its ARELLO colleagues in facing future regulatory challenges. We welcome this opportunity to learn how to become more effective in protecting the future interests of all concerned in real estate transactions throughout the (ARELLO)

"TREC stands among its ARELLO colleagues in facing future regulatory challenges."

—Mike Brodie, Chairman, Texas Real Estate Commission

internationally." Brodie further commented that TREC had endeavored to pull together a substantive program regarding regulatory policy issues affecting the real estate industry; and that keeping current on such information is important if regulators are to successfully carry out the legal responsibilities that have been entrusted to them.

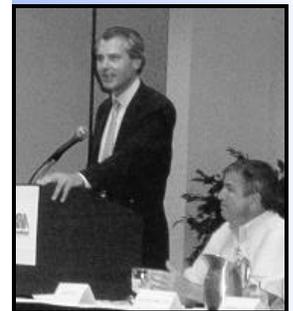
Also appearing at the opening session was Texas Land Commissioner David Dewhurst. Commissioner Dewhurst spoke on recent developments and progress made in obtaining expanded housing finance benefits under the state's veterans land program, which his office oversees. He discussed the importance of this program to the real estate industry in Texas.

Economic conditions and fiscal trends relating to the real estate sector were the focus of several general session programs throughout the conference. Two noted economists provided insights on the current status of the economy at the state, regional, and national levels. Dr. Ted C. Jones, Senior Vice President and Chief Economist of Stewart Title Guaranty Company, offered his views on several topics ranging from U.S. Federal Reserve Board interest rate policies to overall market trends on Wall Street. Dr. Mark Dotzour, Chief Economist for the Real Estate Center at Texas A&M University presented information based on the Center's continual monitoring of economic development trends and its impact on residential and commercial markets.

Economic and regulatory themes were also addressed by Lic. Cesar Paredes Guerra, Past National President, Asociacion Mexicana de Profesionales Inmobiliarios. He explained that several major economic changes in Mexico are currently underway. The nation is giving consideration to creating an institutionalized regulatory and licensing process that will help protect consumers and assure honesty and integrity within Mexico's real estate industry. These regulatory measures are being motivated by increased economic expansion and privatization of property which can

"I commend the regulatory officials at this conference for your dedication to upholding high legal standards..."

—Governor George W. Bush



Texas Land Commissioner David Dewhurst (L) and TREC Chairman Mike Brodie (R) addressed the opening general session of the ARELLO 2000 Southern District Conference.



A commemorative State of Texas flag was presented to Lic. Cesar Paredes Guerra in appreciation for his appearance at the ARELLO conference.

Many of the proposed changes address the license application process, satisfaction of educational requirements and accreditation of schools and approval of instructors.

Changes Proposed to Inspector Rules

BASED ON RECOMMENDATIONS of the Texas Real Estate Inspector Committee, TREC is proposing amendments, repeals, and new rules governing licensed inspectors. These changes are being considered in connection with the on-going review of all of TREC's rules.

Many of the proposed changes address the license application process, satisfaction of educational requirements and accreditation of schools and approval of instructors. The amendments also would update the inspector rules to permit electronic applications and license renewals as TREC develops the capacity for those actions. Other changes being considered include requiring persons who apply directly for a professional inspector license to have completed the additional 60 hours of courses with a minimum of 20 hours each for the structural, mechanical and electrical systems. The kinds of occupational licenses for which experience credit may be given would be limited to engineers, engineers-in-training, and architects.

The proposed changes also address Internet advertising and certain conduct by inspectors which may be grounds for disciplinary action. An inspector who accepts a fee from someone other than the inspector's client would be required to disclose the intended acceptance of the fee and obtain the consent of all parties in a transaction. If the inspector pays a portion of the inspector's fee to a service provider or a participant other than the inspector's client, the inspector would be required first to obtain the consent of the inspector's client before making the payment. Under the new rules, licensees would be obligated to notify each other in writing if either terminated or left a sponsorship.

Comments are invited on the proposed rule changes. The full text of the rules is available from TREC by mail for \$3.20 including tax and postage or on the TREC web site at <http://www.trec.state.tx.us>. Final action on the proposals could be taken at the TREC meeting scheduled for November 6, 2000.

New Education Manager Selected



EFFECTIVE this month, the Texas Real Estate Commission has new leadership in the area of real estate and inspector education. TREC's new Education Manager is Gwen Jackson.

Gwen Jackson has been a member of the TREC staff since 1981, most recently serving as

Program Administrator for the residential service company program where she has been responsible for both licensing and regulation of companies doing business in Texas. Her previous assignments at TREC included working with the inspector licensing program and with the registration of timeshares. With a degree in Education from Wayne State University, Gwen formerly taught in the Austin Independent School District.

The Education office is responsible for liaison with core and continuing education providers and instructors as well as approval of core and continuing education real estate and inspector courses. Gwen will continue to provide oversight to the administration of the Residential Service Company Act which function will now be located in the Division of Licensing and Education. We welcome Gwen to her new position as Education Manager.

TREC Improves Telephone Service

TREC HAS BEGUN using an Automatic Call Distribution (ACD) feature in the Communications section as part of an initiative to improve telephone service. The ACD will ensure that calls are answered in the order they were received. As part of this initiative, TREC will discontinue use of four direct inward dial (DID) telephone numbers effective January 1, 2001. The DID numbers being discontinued are 512-465-3980 (Education number), 512-465-3988 (Mandatory Continuing Education number), 512-465-3915 (Real Estate Inspectors number), and 512-465-3940 (Licensing number). Callers may immediately begin using TREC's information number (512-459-6544) or TREC's toll free number (1-800-250-8732) in lieu of the above DID numbers.

Got A Question About A Relocation Company?

Through a link maintained on the TREC web site, licensees may directly access The Real Estate Coalition for Cooperative Business Practices (the Coalition) of the Employee Relocation Council. By clicking on "The Interchange" on the Coalition's website at <http://coalition.erc.org>, licensees may raise concerns about their dealings with a relocation company and send a message to the appropriate company for response.

Calendar of Events

Commission Meetings:

September 25, 2000
November 6, 2000

Broker-Lawyer Committee Meetings:

October 11-12, 2000

Web site:

<http://www.trec.state.tx.us>

TRECFax: (512) 419-1623
Phone: (800) 250-TREC (8732)
or (512) 459-6544

Revised Rules Address Trust Accounts, Advertising and Required Disclosures

IN CONNECTION with its on-going rule reviews, TREC has made a number of significant changes to its rules concerning enforcement of The Real Estate License Act. In addition to making substantive changes, TREC has repealed as unnecessary those rules which merely restated statutory provisions. The rules were generally rewritten for clarity or to be consistent with other TREC rules.

The changes are effective October 1, 2000. Licensees are encouraged to access the complete text of changes to 22 TAC §§535.131-535.192 on the TREC web site at <http://www.trec.state.tx.us>. The revised rules are also available by mail for \$3.12 including tax and postage. The changes include the following:

l A recent policy decision by the Commission permitting cooperation with Mexican or other foreign brokers has been placed in 22 TAC §535.131.

l The requirements for licensing a limited liability company or corporation are clarified in 22 TAC §535.132.

l Registered easement or right-of-way agents have been specifically included in the enforcement rules relating to licensees.

l In 22 TAC §535.144, licensees who hold more than a 10% interest in a property will be considered an owner. Licensed owners must disclose their licensed status when dealing with their own property and are subject to disciplinary action if they engage in misrepresentation or dishonest or fraudulent action.

l Language was added to 22 TAC §535.145 to clarify that a member of the public does not have to rely upon a licensee's false promise for the Commission to discipline the licensee for making the false promise.

l In 22 TAC §535.146, a definition of "trust account" has been added, and licensees will be required to retain their trust account records for four years (covering the statutory period of four years for which a licensee's handling of a transaction is subject to a complaint and investigation by the Commission).

l A licensee will be required in 22 TAC §535.147 to obtain the consent of the licensee's principal before paying a portion of the licensee's fee to a party the licensee does not repre-

l In new 22 TAC §535.148, a licensee will be required to disclose to all parties in a transaction the licensee's intention of receiving a commission, fee, or rebate from a person the licensee does not represent, and obtain the consent of all parties. This section does not apply, however, to referral fees paid by one licensee to another licensee.

l In advertising which offers to rebate a portion of a licensee's commission, licensees must disclose under 22 TAC §535.154 that payment of the rebate is subject to the consent of the party the licensee represents in the transaction. If payment of the rebate is contingent upon the use of a selected service provider, the advertisement must disclose that the payment is subject to restrictions. The advertisement also must disclose if the licensee may receive compensation from a recommended service provider.

l Under 22 TAC §535.156, licensees will not be required to submit an offer to a principal if the principal has agreed in writing that offers are not to be submitted after the principal has entered into a contract to buy, sell, rent, or lease a property. The previous rule did not include the necessity of a written agreement.



Licensees will be required to retain their trust account records for four years (covering the statutory period of four years for which a licensee's handling of a transaction is subject to a complaint and investigation by the Commission).

CASTING CALL...

The Real Estate Center at Texas A&M University in collaboration with Texas Real Estate Commission is producing the next training video and is presently seeking volunteer actors.

Production will take place in Austin during late September and October.

If interested, e-mail to: castingcall@trec.state.tx.us





Disciplinary Actions

June - July 2000

**Andersen, Jeffery Juul Bay
(Dallas); license #462158**

Agreed reprimand of salesperson license, effective June 1, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission (Rules).

**Bailey, Dennis Rodney
(Friendswood); license #194502**

Revocation of broker license, effective June 20, 2000; payment of \$17,253.22 made by the Texas Real Estate Commission from the Real Estate Recovery Fund toward satisfaction of a judgment against Dennis Rodney Bailey, in violation of Section 8(i) of The Real Estate License Act (TRELA).

**Boliver, Margaret A.
(Denton); license #380244**

Agreed reprimand of salesperson license, entered July 27, 2000; Agreed administrative penalty of \$200.00, entered July 18, 2000; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(h) of the Rules.

**Carpio, Leopoldo Paragas
(Sugar Land); license #405856**

Revocation of salesperson license, effective July 10, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules.

**Chain, Ira Dale
(Houston); license #152884**

Revocation of broker license, effective July 10, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate broker license, in violation of 22 TAC Section 535.91(a) of the Rules.

**Cochran, Robert G.
(Houston); license #389244**

Agreed reprimand of salesperson license, effective June 1, 2000; Agreed adminis-

trative penalty of \$200.00, entered June 1, 2000 failing to complete mandatory continuing education hours within the 60-day period provided by 22 TAC Section 535.92(h) of the Rules.

**ERA Harris Realty & Land Company, Inc.
(Tyler); license #460015**

Agreed reprimand of broker license, entered June 8, 2000; Agreed administrative penalty of \$500.00, entered June 8, 2000; advertising properties on broker's Internet web site without the prior knowledge and consent of the property owners and in such a way as to mislead a reasonable person into believing that the broker was the listing broker for such properties when in fact it was not the listing broker, in violation of Sections 15(a)(6)(O), 15(a)(6)(P), and 15(a)(6)(W) of TRELA and 22 TAC Section 535.154 of the Rules.

**Garcia, Mario Reta
(San Antonio); license #169845**

Revocation of broker license, effective June 26, 2000; payment of \$29,890.14 made by the Texas Real Estate Commission from the Real Estate Recovery Fund toward satisfaction of a judgment against Mario Reta Garcia, in violation of Section 8(i) of TRELA.

**Gearheart, Joseph Edward
(Fort Worth); license #143839**

Revocation of broker license, effective July 17, 2000; failing to complete mandatory continuing education hours within the 60-day period provided by 22 TAC Section 535.92(h) of the Rules.

**Gordon, Nathaniel, Jr.
(Houston); license #405429**

Revocation of salesperson license fully probated until July 1, 2004, effective June 8, 2000; contingent repayment overtime of \$21,764.59 made by the Texas Real Estate Commission for the Real Estate Recovery Fund toward satisfaction of a judgment against Nathaniel Gordon, Jr., in violation of Section 8(i) of TRELA.

**Hardy, James Chaney
(Galveston); license #168364**

Revocation of salesperson license, effective July 10, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application

for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules.

**Holcomb, Ben Ray
(McAllen); license #369134**

Agreed reprimand of broker license, entered July 18, 2000; Agreed administrative penalty of \$500.00, entered July 18, 2000; depositing real estate brokerage commissions and fees into his corporation's account prior to the corporation obtaining a real estate broker license, in violation of Section 15(a)(6)(F) and Section 15(a)(6)(W) of TRELA.

**Horton, Carson Scott
(Austin); license #359616**

Revocation of salesperson license, effective July 17, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules.

**Lyon, David Ross
(Dallas); license #469148**

Revocation of salesperson license, effective July 17, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules.

**Maruyama, Julie Aiko
(Houston); license #316494**

Agreed 30-day suspension of salesperson license probated for 6 months, effective June 1, 2000; Agreed administrative penalty of \$1,000.00, entered June 1, 2000 publishing misleading advertisements in violation of a court ordered injunction, in violation of Section 15(a)(6)(P) of TRELA.

**Mills, Flora Lucille
(Dallas); license #447325**

Agreed 2 years and 4 months suspension of salesperson license fully probated, effective June 26, 2000; salesperson's criminal conviction of the federal felony offense of false statement or fraud to obtain federal employees' compensation in violation of 18 U.S.C. § 1920, a class D felony, by submitting claim forms for

disability benefits in which she falsely stated she was not employed, when in fact she was employed as a real estate agent, in violation of Section 53.021, Texas Occupations Code.

Noble, Raymond Walter (Watauga); license #425637

Agreed reprimand of salesperson license, entered July 21, 2000; Agreed administrative penalty of \$200.00, entered July 18, 2000; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(h) of the Rules.

O'Neill, Timothy Shane (Houston); license #316494

Agreed 30-day suspension of salesperson license fully probated for 6 months, effective June 14, 2000; Agreed administrative penalty of \$1,000.00, entered June 14, 2000; publishing misleading advertisements in violation of a court ordered injunction in violation of Section 15(a)(6)(P) of TRELA.

Patterson, John Mark (Collinsville); license #350183

Revocation of salesperson license, effective July 17, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules.

Phillips, Paul T. (Houston); license #456637

Reprimand of salesperson license, entered June 5, 2000; submitting a new contract offer to a title company when a fully executed contract was already in existence creating confusion and ambiguity with the principals, thereby acting negligently or incompetently, in violation of Section 15(a)(6)(W) of TRELA.

Prichard, Tommie Jean (Mesquite); license #339007

Agreed reprimand of salesperson license, entered July 18, 2000; Agreed administrative penalty of \$200.00, entered July 18, 2000; failing to complete mandatory continuing education hours within the 60-day period provided by 22 TAC Section 535.92(h) of the Rules.

Scott, Terrence Dunlap (Houston); license #451754

Agreed 12-month suspension of salesperson license fully probated, effective June 27, 2000; making a material misstatement of fact in an application for a real estate license, in violation of Section 15(a)(2) of TRELA.

Sly, Sherrie Lynn (N. Richland Hills); license #412155

Revocation of salesperson license, effective July 17, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules.

Smith, Harold Rankin Jr. (Houston); license #421902

Revocation of salesperson license, effective July 10, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules.

Sutton, James Arthur (Fort Worth); license #578

Revocation of professional inspector license, effective June 26, 2000, payment of \$7,500.00 made by the Texas Real Estate Commission from the Real Estate Inspector Recovery Fund toward satisfaction of a judgment against James Arthur Sutton, in violation of Section 8(i) of TRELA.

Taylor, Norma A. (Eastland); license #462983

Agreed reprimand of salesperson license, entered June 6, 2000; Agreed administrative penalty of \$250.00, entered June 6, 2000; negotiating a listing agreement that did not have an expiration date not subject to prior notice, in violation of Section 15(a)(6)(G) of TRELA; using an improper reproduction of a Commission promulgated form in violation of 22 TAC 537.11(h) of the Rules; leaving blanks in a contract, inserting an incorrect effective date and permitting one buyer to sign another buyer's name to the contract without evidence of proper authorization, in violation of Section 15(a)(6)(W) of TRELA.

Tealer, Duaine Alexander (Austin); license #464547

Agreed reprimand of salesperson license, entered July 27, 2000; Agreed administrative penalty of \$200.00, entered July 18, 2000; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules.

Tupper, Lawrence Albert (Wylie); license #469148

Revocation of salesperson license, effective June 30, 2000; criminal conviction for the federal felony offense of wire fraud in violation of 18 U.S.C. §1343, as a controller for a private company, transmitting fraudulent accounting and bookkeeping information in order to obtain funds to which he was not entitled by inducing direct deposit of the funds into personal bank accounts which he maintained, in violation of Section 53.021(b) of the Texas Occupation Code.

Ward, Allen Ross (De Kalb); license #149393

Revocation of broker license, effective July 17, 2000; broker's criminal conviction for a violation of §153.403(29) of the Texas Tax Code for the felony offense of failure to remit motor fuels tax, in violation of Section 53.021(b), Texas Occupations Code.

Ward, Richard Thomas (Arlington); license #173217

Revocation of broker license, effective June 26, 2000; failing within a reasonable time to make good a check issued to the Commission and to pay the processing fee, in violation of Section 15(a)(4) of TRELA and 22 TAC Section 534.2(b) of the Rules.

Zuniga, Deanna Jean (Gladewater); license #435249

Revocation of salesperson license, effective June 20, 2000; intentionally failing to perform services for clients as she had agreed to perform, misappropriating client documents and broker files, failing to return client documents and broker files on demand by the clients and the broker, and failing or refusing on demand to produce documents for inspection by the Commission's investigator, in violation of Sections 15(a)(6)(V), 15(a)(6)(W), 15(a)(7), 15(a)(8), and 15(a)(9) of TRELA.

AS A SERVICE to our licensed subscription holders, we have included your license expiration date in the upper right hand corner of the mailing label.

Name	Lic. Exp. Date
Company	
Street	
City, State	

TREC Improves Telephone Service

See page 4

ARELLO Southern District Members Come To Austin

Continued from page 3.

bought and sold on an individual basis. The effect of NAFTA on cross-border real estate transactions was also cited as a key factor in these recent developments.

"New Directions in Timeshares" was another of the general session topics presented by a three member panel of experts in the field. Among those on the panel was Thomas Franks, Executive Vice President of Silverleaf Resorts, Inc., one of the largest timeshare companies in the country.

In his remarks, Mr. Franks told the audience that the timeshare industry is very different from the past and that there have been, "dramatic changes in just the last few years." He pointed to specific examples of how consumers can now find various and flexible types of timeshare programs that will best suit their lifestyles. As the timeshare industry continues to mature, he said, there is more emphasis on customer service and satisfaction, along with fewer problems encountered in the area of marketing and sales.

An in-depth discussion concerning ethics in real estate business dealings was a subject of broad interest at the conference. Audience participation and audiovisual material were interspersed throughout a well attended three hour afternoon session by Dr. Deborah Long. Her presentation was titled, "For Their Own Good: Why We Need to Teach Ethics to Licensees." Dr. Long conducts workshops and seminar programs nationwide, and is a well known author of ethics education articles. Her article, "Inquiring Minds Want to Know: Why Did You Get in Trouble?" was published in the March 2000 edition (Volume 11, Number 1) of the *TREC Advisor* newsletter.

Attorney Charles Jacobus, recog-

nized authority in real estate law and Chairman of TREC's Education Task Force, provided an annual legal update. A wide range of detailed legal topics and recent cases were examined on such issues as: dual agency and duty to disclose, letters of intent relating to commissions, licensing and regulation, equal protection under zoning decisions, fair housing, landlord/tenant relations, landowner liability, co-tenancy, lender liability, mortgages and foreclosures, owners' associations and deed restrictions, restrictive covenants, premises liability, abstractor's liability, and water rights.

Four workshops provided further opportunities for discussion of cutting-edge issues. One example was a panel discussion concerning regulatory actions to protect consumers who are considering real estate transactions by way of the Internet. One of the panelists, a broker with eRealty.com, Chris Heagerty, spoke on "Danger or Opportunity? The Cyber-State of Real Estate Affairs."

Ms. Heagerty said that consumers use the web when searching for prospective new homes mainly because of convenience in locating available properties. She concluded that e-commerce in the real estate industry is advantageous to consumers, regulators, brokers, and agents due to efficiency in time, savings in costs, improved disclosure, and information availability. As for regulators specifically, she feels real estate web sites offer more open visibility and better opportunities to determine regulatory compliance, as well as the ability to "surf for noncompliance."

At a business session held during the conference, members of the Southern District nominated TREC Adminis-

trator Wayne Thorburn to serve on the national ARELLO Board of Directors. Election of new board members will be held later this fall. Texas Real Estate Commissioner Jay Brummett, of Austin, is completing his term on the organization's governing body.

ARELLO's primary purpose is to assist regulatory officials in protecting the interests of all concerned in real estate brokerage transactions through fair and impartial application of legal standards. Membership is comprised of gubernatorial appointees from each participating state who serve as Commissioners of real estate regulatory agencies. Principal administrators and staff of these agencies are also included.

Employee of the Quarter

TREC IS PLEASED to announce that **Kay Daniel**, an investigator in the Enforcement Division, has been named TREC's second Employee of the Quarter for fiscal year 2000. Kay has been employed as an investigator in the Houston area since 1997. Her responsibilities include conducting investigations of consumer complaints against licensees and participating in audits of TREC education providers. Kay has been commended for effective communications with the Austin office, writing thorough reports, and use of initiative in performing her assignments.

TREC recognizes one employee each quarter based on nominations of fellow employees. The nominees are evaluated on performance, teamwork, initiative, flexibility, leadership and other contributions to TREC's mission.