



# TREC Advisor

Texas Real Estate Commission ★ Volume 21, Number 8 ★ December 2010

## An Update on TREC and TALCB Services



TREC/TALCB continues to face a challenge with its online services. Difficulties with the ability to renew online for the past three months have caused the agency to receive a high number of paper applications and transaction requests. Because of this the backlog in processing has not decreased as quickly as the agency hoped it would.

The volume of emails to the main contact address and phone calls to the main number continue to remain very high. Licensees are sending multiple emails concerning the same subject because they do not get a response as quickly as they think they should. The agency has devoted extra staff to assisting with emails, to decrease the response time. It also has twelve people who answer the incoming phone lines. Since the data system conversion the length of each call has increased. Staff has requested a software customization to manage calls more efficiently.

The agency appreciates your patience and understanding, and would like to thank you for helping us get the word out to your fellow license holders. We are working mandatory overtime to address the paperwork backlog and fix the online issues created by flaws in the new software.

**The agency is waiving paper filing fees for license renewal forms until it gets the process working consistently.** This policy will be reviewed again on January 3, 2011.

**CHECK THE WEBSITE AT [www.trec.state.tx.us](http://www.trec.state.tx.us) FOR UPDATES ON THESE ISSUES.**

### Tips for Better Online & Phone Service From the Agency



Most online access difficulties can be overcome with two simple steps:

1. ensure you **have your unique "security token" before attempting your first online transaction;** and
2. with about 8,000 license holders renewing each month, **please do not wait until the last 2-3 days of the month of expiration to attempt an online renewal.** If you have questions or problems at this time, it is also more difficult to get assistance by phone.

The "security token" that is needed to validate your online account and to associate your license record with that account is sent to each license holder 60-90 days prior to the timely license renewal deadline. We send the renewal

*(Continued on page 2)*

### Inside this issue...

- ...from the Chairman ..... 3
- FAQs ..... 3
- Summary of Changes To Chapter 535..... 4
- Proposed Rules ..... 6
- Disciplinary Actions ..... 7

If you have received a letter requesting additional information to complete your application or renewal, you must fax the information to the licensing department at (512) 465-3913 or email it to [information@trec.state.tx.us](mailto:information@trec.state.tx.us)

The agency exists to safeguard the public interest and protect consumers of real estate services. In accord with state and federal laws the agency oversees real estate brokerage, appraisal, inspection, home warranty and timeshare interest providers. Through education, licensing and regulation, the agency ensures the availability of qualified and ethical service providers, thereby facilitating economic growth and opportunity in Texas.

## TEXAS REAL ESTATE COMMISSION

### Meeting Highlights

TREC meeting minutes can be found on the TREC web site at [www.trec.state.tx.us](http://www.trec.state.tx.us)



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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:

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(Continued from page 1)

reminder containing the token number to the primary business email address that we have on record for each license holder. If someone does not have an email address on file with us, a letter is sent to the licensee's permanent mailing address. If you have not received this email and you are within your renewal period, CHECK YOUR SPAM OR JUNK MAIL. It has been discovered that this email has been blocked by some email filters. If you still don't have it, then contact TREC for this information. We are working to be able to allow each license holder to request the token online for delivery to your business email address at any time. We will announce this service as soon as it is available. The security token is necessary ONLY ONCE to ensure that only YOU can connect (associate) your license record with your online account (User ID and Password) registration. After establishing your online account and associating your license record, all future transactions are secure, since NO ONE ELSE can access your license record.

☞ Too often many license holders wait until the last few days before expiration and then the system can get overwhelmed. The first and last weeks of each month are the busiest, especially the last 3 days of the month and the first 2-3 days of the new month. We recommend you renew online as soon as you receive your notice, provided you have your MCE completed. At our current location, due to mandated budget cuts, we have only a single T-1 line for phone and data access and too many simultaneously users can overwhelm it. After we relocate next summer to the Capitol complex, we will have a fiber access with many times the data capacity.

☞ We have just 12 incoming phone lines and 12 team members answering calls. They can handle about 1,000 calls per day between 8 AM and 6 PM. When all lines are busy, callers get a message suggesting to call back later. On peak days near month end, this may be delivered over 2,000 times. Calling early and late in the day are the best opportunities to get through. Regardless of time of day, the phones, like the website, are jammed packed the last few days of each month and first few days of the new month.

We appreciate your patience and understanding. **We are waiving paper filing fees for renewals forms until we get the process working better.** We do expect a return to much more timely business transactions, and even improving and adding new processes as the customizations of these technology tools advance.

**Congratulations to Tom Watson** who has been named the agency's **Outstanding Performer for the 4<sup>th</sup> quarter of FY 2010** (July, August, September)! Tom is the Director of Information and Technology Services and a true Outstanding Performer! Tom has served as Director of Information and Technology Services at TREC since 2004. He has over 25 years of service in information technology.

He received his undergraduate degree in Information Technology at Purdue University and a MBA from Kennesaw State University.



## ...from the Chairman

There is no test of character quite like adversity, and the Commission staff is undergoing quite a test these days. The initial failure of the online tools provided for connecting to the new database system has resulted in a large backlog of paper transactions. To minimize the impact on you, the license holders, the staff is working mandatory overtime to manage and process this unprecedented workload. Phones are constantly busy and the website is humming with activity. Hang in there; your patience and understanding are greatly appreciated. Progress is happening, but never as fast as we'd prefer.



John D. Eckstrum, Chairman

Following the 5% budget cut requested for the FY 2010-11 budget, which required us to reduce staff by 7 positions, it appears that the agency will be asked to identify another 2.5% for the current budget year. Staff has already identified an additional 10% cut for FY 2012 and 2013. If all of these cuts are implemented, we can realistically expect service levels to be further reduced. Technology promises some significant relief, but the agency needs both the time and the funds to implement it.

Rethinking the way we do business is essential to responding to these challenges. We have the right team and the right leadership to make it happen. Rules are being changed to be simpler, clearer and more effective. Changes to the license law will be requested next session to do the same. What we need most is the continued support of the real estate industry to ensure our efforts remain on track and the agency gets to keep the resources it needs to be successful. The staff is doing a great job overcoming each challenge as it arises, and we are counting on your cooperation to assist where needed.

Wishing you all the blessing of the Holiday Season and that the New Year is your best one ever!

## FREQUENTLY ASKED QUESTIONS

### **The online system is not accepting my temporary password. What do I do?**

You may select & copy the temporary password in the email message you received when you registered, then paste it into the **"Online Services—Login and Registration"** web page when you log in. then, you will be prompted to create a new password of your own. Keep in mind that **the agency will never send you the password that you have created**, only a temporary password. So write it down once you create it. If you continue to have problems you may click the **"Reset your password here"** link to get another temporary password. When you log in with it, you will again be prompted to create a new password of your own.

### **What is my renewal fee for a salesperson renewing for the first time?**

If you completed 60 hours in core and are renewing your license for the first time, you must fax your education documents to the education department at (512) 465-3989. Once your education is posted on the licensee info search on the website, you will have the ability to renew online, and pay the renewal fee of \$134.25 for a two year license (which includes the \$19.25 background check fee).

### **How do I know if I owe the \$19.25 background check fee?**

If you have submitted your fingerprints through a fingerprint provider, you will owe the \$19.25 background check fee for every subsequent renewal. It is a background check, not a fingerprinting fee.

## SUMMARY OF AMENDMENTS TO CHAPTER 535

The Texas Real Estate Commission adopted a series of rule amendments and new rules under Chapter 535 of Title 22 of the Texas Administrative Code (the Rules). Along with substantive revisions, the amendments and new rules reorganize and streamline the chapter into a more logical order. The effective date of the amendments is January 1, 2011, unless the text of the rule provides a different effective date.

The following is a list of most of the substantive changes to the rules. The TREC website, [www.trec.state.tx.us](http://www.trec.state.tx.us), has comprehensive summaries and the text of the adopted amendments and new rules.

### **BROKER RESPONSIBILITY**

- Amendments to §535.2 clarify a broker's responsibilities to his or her sponsored salespersons, the public, and other brokers.
- A broker is required to advise a sponsored salesperson of the scope of the salespersons authorized activities under the act; clarifies that a broker is liable for the activities of the salesperson if the broker permits a salesperson to engage in activities beyond the scope originally authorized.
- A broker is responsible for any property management activity conducted by sponsored salespersons and for all advertising done by sponsored salespersons.
- The amendments permit a broker to designate in writing another licensee to be responsible for day-to-day supervision of sponsored salespersons; however, the broker would continue to have overall responsibility of the salespersons.
- The amendments require a broker to maintain business records such as disclosures, commission agreements, work files, contracts and related addenda, property management contracts, appraisal related records, and sponsorship agreements for a period of 4 years.
- Brokers will be required to maintain written policies and procedures to ensure that:
  - ◊ Each sponsored salesperson is advised of the scope of the salesperson's authorized activities subject to the Act and is competent to conduct such activities;
  - ◊ Each sponsored salesperson maintains their license in active status at all times while they are engaging in activities subject to the Act;
  - ◊ Any and all compensation paid to a sponsored salesperson for acts or services subject to the Act is paid by, through, or with the written consent of the sponsoring broker;
  - ◊ Each sponsored salesperson is provided on a timely basis, prior to the effective date of the change, notice of any change to the Act, Rules, or commission promulgated contract forms;
  - ◊ In addition to completing statutory minimum continuing education requirements, each sponsored salesperson receives such additional educational instruction the broker may deem necessary to obtain and maintain on a current basis competency in the scope of the sponsored salesperson's practice subject to the Act;
  - ◊ Each sponsored salesperson complies with the commission's advertising rules.
  - ◊ All trust accounts, including but not limited to property management trust accounts, and other funds received from consumers are handled by the broker with appropriate controls; and
  - ◊ Records are properly maintained pursuant to records retention requirements in the rules.
- The amendments clarify that the broker responsibility rules are not meant to create an employer/employee relationship where there is none.
- Amendments to §535.3 regarding Compensation to or Paid by a Salesperson require that an agreement between a broker and sponsored salesperson regarding the compensation a salesperson receives or pays to other licensees must be in writing.

### **LICENSE REQUIRED/NOT REQUIRED**

- New §535.4 regarding License Required is a compilation of existing rules that are put together into one comprehensive rule that addresses the instances in which a license is required under the Act.
- New §535.5 regarding License Not Required is a compilation of existing rules that are put together into one comprehensive rule that addresses the instances in which a license is not required under the Act.

### **CORPORATIONS AND LIMITED LIABILITY COMPANIES**

- Section 535.4 adds a new provision which clarifies that a corporation or limited liability company owned by a broker or salesperson that receives compensation on behalf of the licensee must be licensed as a broker under the Act.
- Amendments to §535.53 clarify the requirements for obtaining and maintaining a broker license for a corporation or limited liability company, and new subsection (c) provides that if a corporation or limited liability company is dissolved with the Secretary of State the license becomes null and void.

### **EDUCATION AND EXPERIENCE**

- Section 535.54 provides that a bachelor's degree from an accredited college or university satisfies all of the "related" education requirements for a salesperson or broker license. A bachelor's degree does not satisfy the required "core" courses.
- The commission has the authority under §1101.362 of the Act to waive some or all of the education and experience requirements for someone who has been licensed within the six years preceding the date the application is filed. Currently, §535.56, the commission has waived the education and experience required for a broker license for a broker who was licensed in the preceding six years (the maximum authorized under the Act) and otherwise meets the requirements of the section. The new rule changes the period from six years to four years, so that a person who was licensed in the preceding four years and otherwise meets the

experience requirements of the section could apply to reinstate an expired broker license. If applying more than 2 years after a license expired, one would need to retake the examination.

- The commission will not grant credit to a student who has taken a “core” course with substantially the same content as one taken within the previous two-year period.

#### **SCHOOLS, COURSES & INSTRUCTORS – PRE-LICENSE EDUCATION**

- The renewal period for accreditation of schools is changed from five years to four years in §535.63(b). For purposes of calculating a school’s passage rate in §535.63(b)(3), the commission will use a four year period instead of a five year period.
- A course approval expires four years from the date of approval, and if any school that offers the same course obtains TREC approval to offer the same course, the expiration date remains unchanged.
- The requirement in existing §535.64 that examination preparation courses be submitted to TREC for approval is deleted. No credit is earned for such courses.
- Schools are required to provide to students and maintain for commission review instructor and course evaluations for each course; schools must use, at a minimum evaluation criteria established by the commission.
- A school will be required to maintain records of each student enrolled for a minimum of four years; and the full class file and student enrollment agreements must be retained for at least 24 months following completion; records may be retained in an electronically as long as the records are maintained in a common format that may be legibly and easily printed.
- Section 535.65(d) clarifies that a school may use published objective information such as pass rates in advertising.
- In section 535.67(b), the renewal term for “core” instructor approval is changed from five to two years.

#### **PROVIDERS, COURSES & INSTRUCTORS - MCE PROVIDERS**

- In Section 535.71, the renewal term for MCE instructor approval is changed from five to two years.
- Under Section 535.71(z), alternative delivery method courses for required legal credit must be certified by a distance learning certification center that is acceptable to the commission.
- Subsection (i) of §535.71 requires a provider to make available to students and maintain for commission review instructor and course evaluation for each course; schools must use, at a minimum evaluation criteria established by the commission.
- Subsection (k) of §535.71 requires a provider to maintain the same types of records and for the same period of time as required of schools accredited under Subchapter F, regarding core education providers.

#### **VIOLATIONS**

- §535.141 is amended to include advertising in the laundry list of activities that a licensee may not engage in while the person’s license is under suspension; the commission may automatically suspend a license if the licensee violates certain types of terms or conditions of an agreed probated revocation or suspension.
- Amendments to §535.146 clarify existing requirements that apply to maintenance of trust accounts, including that a broker is ultimately responsible for compliance with the trust account requirements in the Act and Rules; subsection (h) requires a broker to notify all parties in writing when a broker makes a disbursement to which all parties have not expressly agreed to in writing; new subsection (k) clarifies that a broker may deposit and maintain additional amounts in a trust account to cover bank service fees.
- §535.147(a) clarifies that a licensee may not share a commission with an unlicensed person except as provided by the Act or Rules; new subsection (b) authorizes an unlicensed person to share in the income earned by a licensed business entity as long as the person does not engage in real estate brokerage activity; new subsection (c) clarifies that a broker or salesperson may not share a commission with an unlicensed corporation or limited liability company created by a licensee for the purpose of collecting a commission or fees on behalf of the licensee.
- New subsection (c) is added to §535.148 to prohibit a licensee from entering into contracts with service providers which prohibits a licensee from entering into or offering similar service on behalf of a competing service provider; new subsection (d) would prohibit contingent fee arrangements where the licensee accepts a fee that is contingent upon a party to the real estate transaction purchasing a contract or services from a specific service provider; new subsection (e) adopts by a reference RSC-1, Disclosure of Relationship with Residential Service Company which licensees will be required to use as of March 1, 2011 to disclose compensation for services provided to or on behalf of a residential service company.
- The Commission postponed taking any action on the proposed revisions to §535.154 concerning advertising. The commission will continue to seek recommendations from interested parties regarding §535.154. Similarly, the commission decided not to take final action to repeal existing §535.154 until such time that a decision is made on a provision to replace it.

#### **MISCELLANEOUS LICENSE PROVISIONS**

- Under §535.96, licensees would be required to notify the commission of the licensee’s current email address, if any, and other contact information.
- New 535.94(d) clarifies that if a person who has a probationary license renews the license within the one-year late renewal period, the new license is subject to the remaining probationary period from the previous probationary license.
- Section 535.121 is amended to clarify that a salesperson’s license becomes inactive if a broker notifies the commission in writing that the broker is terminating sponsorship of the salesperson.

#### **RESIDENTIAL LOCATORS ADVERTISING**

- Section 535.300 clarifies that the definition of “advertisement” in §535.154 applies to rental locators.

## RULE ACTIONS FROM NOVEMBER 15, 2010 MEETING OF THE TEXAS REAL ESTATE COMMISSION

RULE NO.	EARLIEST DATE OF ADOPTION	SUMMARY OF PROPOSED RULES <i>For text of the rules as they were filed with the Texas Register, go to the web site <a href="http://www.trec.state.tx.us">www.trec.state.tx.us</a></i>
22 TAC §535.400 AND §535.403	2/14/2011	TREC proposes amendments to Subchapter T regarding Easement or Right-of-Way; §535.400 regarding Registration of Easement or Right-of-Way Agents; and §535.403 concerning Renewal of Registration. Application forms will no longer be promulgated by the commission, but they will be approved when substantive changes are made.  The amendments to §535.403 change the annual renewal fee from \$83 to \$80 to remove the \$3 fee that registrants are required to pay for TexasOnline fees. Since such fees are adopted by Department of Information Resources Rules, the fee does not need to be separately adopted as a fee by the commission
AMEND		
22 TAC §539.61	2/14/2011	TREC proposes amendments to §539.61 concerning Application and Licensing. The proposed amendments revise subsection (a) to add a reference to the TREC website and add new subsection (c) to provide a deadline for applicants to provide information to the commission in connection with an application.  There is currently no deadline for responding a request for information. Creating a time certain for termination of an incomplete application will allow the Commission to create a records retention period for TREC to maintain the application and related materials.
AMEND		
22 TAC §539.121	2/14/2011	TREC proposes amendments to §539.121 concerning Examinations. The proposed amendments change the examination period from three to five years.  Experience with recent examinations has shown that most, if not all, licensees are generally in compliance with the commission's requirements and that examinations may be conducted less frequently without compromising consumer protection. In addition, the significant increase in the number of licensed companies in recent years combined with limited staff and resources further necessitate extending the time between examinations from 3 years to 5 years.
AMEND		
22 TAC §539.150	2/14/2011	New Subchapter P regarding complaints and new §539.150 concerning complaints. The proposed amendments establish a complaint procedure for filing complaints against residential service companies licensed by the commission. The new rule establishes a deadline in which complaints may be filed with the commission and established a deadline in which respondents must respond to requests for information from the commission. The procedure and time periods are the same as those established by rule for other licensees subject to the commission's jurisdiction.
NEW		

**Comments on proposed rules should be directed to [general.counsel@trec.state.tx.us](mailto:general.counsel@trec.state.tx.us)**

Or

**General Counsel**

**TREC**

**P.O. Box 12188**

**Austin, TX 78711-2188**



**LORI HOSKINS**

**TREC welcomes two new employees to the Reception and Communications Services Division.** This division of the agency is the contact point for emails and phone calls from licensees and the public.

LORI HOSKINS comes to TREC from the banking industry where she has 4 years of customer service experience. She also has a degree in Communication Studies/Business.

EDWARD ELIZONDO worked for Dell since 1999. He has over 11 years of customer support experience.



**EDWARD ELIZONDO**

# TREC Disciplinary Actions August-October 2010



**Guerrero, Sonny Duane**  
(Amarillo); license #552952

Suspension of salesperson license until receipt of required information, effective August 3, 2010; Assessment of an administrative penalty of \$500, entered August 3, 2010; failing and refusing to produce on request, for inspection by the commission or a commission representative, a document, book, or record that is in the license holder's possession and relates to a real estate transaction conducted by the license holder in violation of Tex. Occ. Code §1101.652(a)(5); failing to provide, within a reasonable time, information requested by the commission that relates to a formal or informal complaint to the commission in violation of Tex. Occ. Code §1101.652(a)(6).

**Guerrero, Alfredo M.**  
(Killeen); license #448348

Agreed 2 year suspension of broker license fully probated for 5 years, effective August 6, 2010; Agreed administrative penalty of \$500, entered August 6, 2010; acting negligently or incompetently in a property management situation in violation of Tex. Occ. Code §1101.652(b)(1); in a property management situation, commingling money that belongs to another person with the license holder's own money in violation of Tex. Occ. Code §1101.652(b)(10); establishing an association by employment or otherwise with a person other than a license holder if the person is expected or required to act as a license holder in violation of Tex. Occ. Code §1101.652(b)(26); failing to be faithful and observant to trust placed in the agent, and to be scrupulous and meticulous in performing the agent's functions in violation of 22 Tex. Admin. Code §531.1(2).

**Keeton-Griffin, Sonia**  
(Houston); license #N/A

Assessment of an administrative penalty of \$15,000 and ordered to cease and desist all unlicensed real estate brokerage activities, entered August 9, 2010; Ms. Keeton-Griffin individually and through Jo Van Property Management LLC, acted, engaged in, and represented that she was a real estate broker or salesperson without first holding a license issued by the Texas Real Estate Commission by conducting property management and leasing services as independent contractor and not as an employee of 4 owners for 7 properties in violation of Tex. Occ. Code §1101.351.

**JoVan Property Management, LLC**  
(Houston); license #N/A

Assessment of an administrative penalty of \$10,000 and ordered to cease and desist all real estate brokerage activities, entered August 9, 2010; Jo Van Property Management LLC, by and through Sonia Keeton-Griffin acted, engaged in, and represented that the business entity was a real estate broker without first holding a license issued by the Texas Real Estate Commission by conducting property management and leasing services as independent contractor and not as an employee of 4 owners for 7 properties in violation of Tex. Occ. Code §1101.351.

**American Home Shield of Texas, Inc.**  
(Memphis); license #102

Assessment of an administrative penalty of \$5,000, entered August 13, 2010; advertising or marketing the company's services in a false, misrepresentative, misleading, deceptive, or unfair manner in violation of Tex. Occ. Code §1303.352(a)(6).

**Pounders, Michael Carroll**  
(Corrigan); license #480009

Agreed 2 year suspension of salesperson license fully probated for 2 years, effective August 31, 2010; Agreed administrative penalty of \$2,000, entered August 31, 2010; acting negligently by mismanaging clients funds in violation of Tex. Occ. Code §1101.652(b)(1) and failing within a reasonable time to properly account for or remit money that is received by the license holder and that belongs to another person in violation of Tex Occ. Code §1101.652(b)(9).

**Campos, Benjamin**  
(Mesquite); license #552590

Agreed revocation of salesperson license fully probated for 5 years, effective August 31, 2010; pleading guilty to a 3rd degree felony and the time for appeal has elapsed or the judgment or conviction has been affirmed on appeal without regard to an order granting community supervision that suspends the imposition of the sentence in violation of Tex. Occ. Code §1101.652(a)(1).

**Raines, John Herbert**  
(Rowlett); license #147105

Agreed 4 year suspension of broker license fully probated for 4 years, effective August 31, 2010; Agreed administrative penalty of \$4,000, entered August 31, 2010; pleading guilty to a 3rd degree felony offense, then failing to notify the commission of his plea within 30 days in violation of Tex. Occ. Code §1101.652(a)(9) and making a material misstatement of fact regarding his criminal history on a subsequent broker license renewal application in violation of Tex. Occ. Code §1101.652(a)(2).

**Thomas, Roxie Diane**  
(London); license #514268

Agreed 6 month suspension of salesperson license fully probated for 6 months, effective August 31, 2010; Agreed administrative penalty of \$500, entered August 31, 2010; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license in violation of 22 Tex. Admin. Code §535.91(c).

**McCune, James Edward, Jr.**  
(Houston); license #283578

Revocation of salesperson license, effective August 31, 2010; failing to comply with the terms and conditions of an agreed order requiring him to pay an administrative penalty for violation of Tex. Admin. Code §535.92(f).

**Ringer, Kenneth David**  
(North Richland Hills); license #489080

Agreed probationary salesperson license issued for 2 years, effective August 9, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Emily Ann Mattox**  
(Pearland); license #607199

Agreed probationary salesperson license issued for 1 year, effective August 9, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Granderson, Justin Martin**  
(San Antonio); license #607205

Agreed probationary salesperson license issued for 2 years, effective August 10, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Hix, Jim Sebastian**  
(Waco); license #192157

Probationary broker license issued for 2 years, effective August 11, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Stringo, Roxanna Lynn**  
(Port O'Connor); license #607426

Agreed probationary salesperson license issued for 1 year, effective August 16, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Barron, Juan Luis**  
(League City); license #607492

Agreed probationary salesperson license issued for 1 year, effective August 20, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Keita, Khady**  
(Houston); license #466027

Agreed probationary salesperson license issued for 1 year, effective August 30, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Allchin, Cille M.**  
(Houston); license #469433

Revocation of salesperson license, effective September 30, 2010; Assessment of an administrative penalty of \$3,000, entered September 30, 2010; failing to provide, within a reasonable time, information requested by the commission that relates to a formal or informal complaint to the commission in violation of Tex. Occ. Code Ch. §1101.652(a)(6); failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license in violation of 22 Tex. Admin. Code §535.91(c).

**Jaehne, Patrick Lee**  
(Austin); license #488676

Agreed 1 year suspension of salesperson license fully probated for 2 years, effective September 1, 2010; misrepresentation, dishonesty, or fraud when selling, buying, trading, or leasing real property in the name the license holder in violation of Tex. Occ. Code §1101.652(a)(3)(A).

**Robert L. Trask, Inc.**  
(League City); license #434658

Agreed reprimand of broker license, entered September 8, 2010; Agreed administrative penalty of \$2,500, entered September 8, 2010; failing to obtain the written consent from each party to act as an intermediary in the transaction and failing to state the source of any expected compensation to the broker in the consent(s) in violation of Tex. Occ. Code §1101.559(a)(1); acting negligently or incompetently in violation of Tex. Occ. Code §1101.652(b)(1).

**Trask, Robert L.**  
(League City); license #135267

Agreed reprimand of broker license, entered September 8, 2010; failing to obtain the written consent from each party to act as an intermediary in the transaction and failing to state the source of any expected compensation to the broker in the consent(s) in violation of Tex. Occ. Code §1101.559(a)(1); acting negligently or incompetently in violation of Tex. Occ. Code §1101.652(b)(1).

**Moretich, Gene Louis**  
(Kerrville); license #212992

Agreed 2 year suspension of broker license fully probated for 2 year, effective September 15, 2010; entering a plea of guilty or nolo contendere to or being convicted of a felony or a criminal offense involving fraud, and the time for appeal has elapsed or the judgment or conviction has been affirmed on appeal, without regard to an order granting community supervision that suspends the imposition of the sentence on or about February 18, 2010 pursuant to Tex. Occ. Code §1101.652(a)(1).

**Fontenot, Aubry Joe**  
(San Antonio); license #514992

Agreed surrender of salesperson license and not renew or attempt to renew broker license until after September 1, 2011, and a fully probated suspension for one year upon renewal of real estate broker license; entered September 22, 2010; Agreed administrative penalty of \$12,000, entered September 22, 2010; failing or refusing to produce on request, for inspection by the commission or a commission representative, a document, book, or record that is in the license holder's possession and relates to a real estate transaction conducted by the license holder in violation of Tex. Occ. Code §1101.652(a)(5); failing to provide, within a reasonable time, information requested by the commission that relates to a formal or informal complaint to the commission that would indicate a violation of this chapter in violation of Tex. Occ. Code §1101.652(a)(6); acting negligently or incompetently in violation of Tex. Occ. Code §1101.652(b)(1); engaging in conduct that is dishonest or in bad faith or that demonstrates untrustworthiness in violation of Tex. Occ. Code §1101.652(b)(2); failing within a reasonable time to properly account for or remit money that is received by the license holder and that belongs to another person in violation of Tex. Occ. Code §1101.652(b)(9); commingling money that belongs to another person with the license holder's own money by violating 22 Tex. Admin. Code §535.146(f) in failing to maintain money belonging to another in a trust account in violation of Tex. Occ. Code §1101.652(b)(10); failing or refusing to provide, on request, a copy of a document relating to a real estate transaction to a person who signed the document in violation of Tex. Occ. Code §1101.652(b)(28); and failing to deposit, within a reasonable time, money the license holder receives as escrow agent in a real estate transaction in a custodial, trust, or escrow account

**Calendar of Events**

Commission  
Meeting  
February 14, 2010  
At 10:00 a.m.  
(Austin)

Web site:  
<http://www.trec.state.tx.us>  
Phone  
(512) 459-6544

maintained for that purpose in a banking institution authorized to do business in this state in violation of Tex. Occ. Code §1101.652(b)(30)(B).

**Sotelo, Estela**  
(Pleasanton); license #545443

Suspension of salesperson license until receipt of required information, effective September 24, 2010; Assessment of a \$1,500 administrative penalty, entered September 24, 2010; failing to provide, within a reasonable time, information requested by the commission that relates to a formal or informal complaint to the commission in violation of Tex. Occ. Code §1101.652(a)(6).

**Adams, Phillip Keith**  
(Austin); license #N/A

Assessment of an administrative penalty of \$7,000 and order to cease and desist all unlicensed real estate brokerage activities, entered September 27, 2010; acting, engaging in and representing that he was a real estate salesperson without first holding a license issued by the Texas Real Estate Commission by assisting in negotiations between sellers and buyers for the purchase of real property with the expectation or receipt of valuable consideration, in violation of Tex. Occ. Code §1101.351.

**Dawson, Ellen Elizabeth**  
(Austin); license #496379

Agreed reprimand of salesperson license and completion of a 30 hour agency law course by November 30, 2010, entered September 30, 2010; acting negligently in failing to disclose condition or defect in property that would be a significant factor to a reasonable and prudent buyer in making a decision to purchase real estate in violation of Tex. Occ. Code §1101.652(b)(1) and Tex. Occ. Code §1101.652(b)(4).

**Phillips, Michael Montgomery**  
(Houston); license #339225

Agreed 3 year suspension of broker license fully probated for 3 years, effective September 30, 2010; Agreed administrative penalty of \$1,000, entered September 30, 2010; entering a plea of guilty or nolo contendere to or is convicted of a felony or a criminal offense involving fraud, and the time for appeal has elapsed or the judgment or conviction has been affirmed on appeal, without regard to an order granting community supervision in violation of Tex. Occ. Code §1101.652(a)(1); failing to notify the Commission, not later than the 30th day after the date of a final conviction or the entry of a plea of guilty or nolo contendere, that the person has been convicted of or entered a plea of guilty or nolo contendere to a felony or a criminal offense involving fraud in violation of Tex. Occ. Code §1101.652(a)(9).

**Jackson, Monique S.**  
(Humble); license #509249

Agreed 2 year suspension of salesperson license fully probated for 2 years, effective September 30, 2010; Agreed administrative penalty of \$1,000, entered September 30, 2010; acting negligently and incompetently in the unauthorized use of TAR membership real estate documentation in violation of Tex. Occ. Code §1101.652(b)(1); commingling money that belongs to another person with the license holder's own money in violation of Tex. Occ. Code §1101.652(b)(10); paying a commission or fee to or divides a commission or fee with a person other than a license holder or a real estate broker or salesperson licensed in another state for compensation for services as a real estate agent in violation of Tex. Occ. Code §1101.652(b)(11); and establishing an association by employment or otherwise with a person other than a license holder if the person is expected or required to act as a license holder in violation of Tex. Occ. Code §1101.652(b)(26).

**Doran, Martha L.**  
(Dallas); license #416190

Agreed reprimand of broker license, entered September 10, 2010; Agreed administrative penalty of \$500, entered September 10, 2010; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license in violation of 22 Tex. Admin. Code §535.91(c).

**Hayes, Scott A.**  
(Austin); license #442598

Agreed reprimand of broker license, entered September 20, 2010; Agreed administrative penalty of \$500, entered September 20, 2010; failing within a reasonable time to make good a check issued to the Commission in violation of Tex. Occ. Code §1101.652(a)(4); failing to pay a check processing fee within 15 days after the Commission has mailed a request for payment in violation of 22 Tex. Admin. Code §534.2(a).

**Wood, Kathleen M.**  
(Katy); license #442245

Agreed reprimand of broker license, entered September 28, 2010; Agreed administrative penalty of \$500, entered September 28, 2010; failing within a reasonable time to make good a check issued to the Commission in violation of Tex. Occ. Code §1101.652(a)(4); failing to pay a check processing fee within 15 days after the Commission has mailed a request for payment in violation of 22 Tex. Admin. Code §534.2(a).

**Hunter, Amanda J.**  
(Springtown); license #541773

Agreed 1 year suspension of salesperson license fully probated for 1 year, effective September 30, 2010; Agreed administrative penalty of \$500, entered September 30, 2010; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license in violation of 2 Tex. Admin. Code §535.91(c).

**Asaduddin, Mohammad**  
(Houston); license #321545

Agreed probationary broker license issued for 2 years, effective September 20, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate broker under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate broker under Tex. Occ. Code §1101.354(2).

**Stark, Juan Carlos**  
(El Paso); license #N/A

Agreed probationary salesperson license issued for 2 years, effective September 22, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Hunt, Jason A.**  
(Moss Point); license #N/A

Agreed probationary salesperson license issued for 1 year, effective September 23, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and

demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Darnall, Sally Calkins**  
(McKenney); license #434199

Agreed reprimand of salesperson license, effective October 7, 2010; failing to obtain on behalf of Broker the written consent from the Buyer to act as an intermediary in the transaction and failing to state the source of any expected compensation to the broker in the written consent in violation of Tex. Occ. Code §1101.559(a)(1); acting negligently or incompetently in violation of Tex. Occ. Code §1101.652(b)(1).

**Roberts, Kelly Calkins**  
(McKinney); license #456459

Agreed reprimand of salesperson license, effective October 7, 2010; failing to obtain on behalf of Broker the written consent from the Buyer to act as an intermediary in the transaction and failing to state the source of any expected compensation to the broker in the written consent in violation of Tex. Occ. Code §1101.559(a)(1); acting negligently or incompetently in violation of Tex. Occ. Code §1101.652(b)(1).

**Hoover, Melissa Dawn**  
(Killeen); license #451286

Suspension of broker license until receipt of required information and payment of \$1,500 administrative penalty, effective October 8, 2010; Assessment of \$1,500 administrative penalty, entered October 8, 2010; failure to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint in violation of Tex. Occ. Code §1101.652(a)(6).

**Williams, Billy James**  
(Gainesville); license #161934

Agreed reprimand of broker license, entered October 18, 2010; Proof of completion of a thirty (30) hour agency law course on or before January 18, 2011, entered October 18, 2010; provide to the Commission a copy of revised policies and procedures for agents in an intermediary relationship on or before February 18, 2011, entered October 18, 2010; failing to obtain the written consent from the Buyer to act as an intermediary in the transaction and failing to state the source of any expected compensation to the broker in the written consent in violation of Tex. Occ. Code §1101.559(a)(1); acting negligently or incompetently in violation of Tex. Occ. Code §1101.652(b)(1).

**Levitin, Michael Herman**  
(Cypress); license #365606

Agreed reprimand of broker license, entered October 20, 2010; Agreed administrative penalty of \$4,500, entered October 20, 2010; associating with and paying an unlicensed person who performed real estate brokerage activities on behalf of a licensed limited liability company located in another city for which broker was designated manager, in violation of Tex. Occ. Code §§1101.652(b)(11) and (26).

**Hunt, Willis Gordon, II**  
(Austin); license #310500

Agreed reprimand of broker license, entered October 22, 2010; Proof of completion of a thirty (30) hour agency law course on or before December 31, 2010, entered October 22, 2010; negligent representation and failure to provide an Information for Brokerage Services at time of first substantive dialogue, in violation of Tex. Occ. Code §1101.652(b)(1) and Tex. Occ. Code §1101.558(c) and (d); failure to obtain written consent from each party to the intermediary relationship, in violation of Tex. Occ. Code §1101.559(a)(1) and (2); failure to make clear to all parties to a real estate transaction the party for whom the license holder is acting, in violation of Tex. Occ. Code §1101.652(b)(7).

**Jackson, Devon**  
(Humble); license #N/A

Agreed assessment of an administrative penalty of \$1,000, entered October 26, 2010; Agreed to cease and desist from engaging in all real estate brokerage activities, entered October 26, 2010; engaging in real estate brokerage activities on behalf of another or holding himself out as engaging in or conducting real estate brokerage activities on behalf of another as a real estate licensee with an expectation of compensation in violation of Tex. Occ. Code §1101.351.

**Hopkins, Johnny Ray**  
(Houston); license #473576

Agreed 2 year suspension of salesperson license fully probated for 2 years, effective October 29, 2010; Agreed administrative penalty of \$7,000, entered October 29, 2010; acting negligently or incompetently in presenting the Information About Brokerage Services to a client and performance of his property management responsibilities for proper return of tenants' monies in violation of Tex. Occ. Code §1101.652(b)(1); failing within a reasonable time to properly account for or remit money that is received by the license holder that belongs to another person in violation of Tex. Occ. Code §1101.652(b)(9); and commingling money that belongs to another person with the license holder's own money in violation of Tex. Occ. Code §1101.652(b)(10).

**Pettit, Darryl Bernard**  
(San Antonio); license #368760

Agreed 1 year suspension of broker license fully probated for 1 year, effective October 31, 2010; Agreed administrative penalty of \$1,000, entered October 20, 2010; acting negligently by failing to rebate the remaining portion of the real estate commission to the client, the Buyer in violation of Tex. Occ. Code §1101.652(b)(1); acting negligently in supervising a sponsored salesperson in violation of Tex. Occ. Code §1101.652(b)(1).

**Moren, April Porter**  
(Krum); license #553605

Suspension of salesperson license until payment in full of replacement fees and \$500 administrative penalty, effective October 12, 2010; Assessment of a \$500 administrative penalty, entered October 12, 2010; failing within a reasonable time to make good a check issued to the Commission in violation of Tex. Occ. Code §1101.62(a)(4); failing to pay a check processing fee within 15 days after the Commission has mailed a request for payment in violation of 22 TAC §535.2(a).

**Morris, Jean**  
(Houston); license #407844

Suspension of salesperson license until receipt of required information and \$500 administrative penalty, effective October 14, 2010; Assessment of a \$500 administrative penalty, entered October 14, 2010; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license in violation of 22 TAC §535.91(c).

**Smith, Becky Weir**  
(Houston); license #462051

Suspension of salesperson license until receipt of required information and \$500 administrative penalty, effective October 15, 2010; Assessment of a \$500 administrative penalty, entered October 15, 2010; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license in violation of 22 TAC §535.91(c).

**Manley, James Baker**  
(Houston); license #422041

Agreed reprimand of salesperson license, entered October 25, 2010; Agreed administrative penalty of \$500, entered October 25, 2010; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license in violation of 22 Tex. Admin. Code §535.91(c).

**Pope, Ashlie Dawn**  
(Houston); license #609417

Agreed probationary salesperson license issued for 2 years, effective October 5, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Eldridge, Michael Anson, Sr.**  
(Houston); license #491564

Agreed probationary salesperson license issued until May 27, 2013, effective October 8, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Osafo, Elliott K.**  
(Dallas); license #430173

Agreed probationary salesperson license issued for 1 year, effective October 11, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

**Marrero, Samuel**  
(Houston); license #

Agreed probationary salesperson license issued for 1 year, effective October 12, 2010; commission of an offense that is directly related to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1(a). Applicant provided documentation addressing the factors outlined in 22 Tex. Admin. Code §541.1(c) and demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).

## FREQUENTLY ASKED QUESTIONS

### **My timely renewal was on paper and my check has cleared, so why does the TREC website show that my license has expired?**

If you timely renewed your license, paid all fees and took all the required MCE before your license **expiration** date, you may continue to practice under your existing license. We will send your new license once all the paperwork is processed.

### **What are my continuing education requirements?**

Check the TREC website for continuing education for each type of license. You can find a listing of the continuing education course that you have completed in the **TREC License Info Search**.

### **I submitted a Salesperson Sponsorship Form. My check has cleared but the old broker or inactive status still appears on the TREC website. When will the new broker information be updated?**

The agency is currently working on a backlog of submitted forms. If your license is active, you may begin working for the new broker as soon as your form with check for the fee are dropped in the mail or hand delivered to TREC.

### **I (or my broker) submitted a Notice of Salesperson Sponsorship Termination form but I am still showing up as active. When will the change be made?**

TREC is making every effort to process these requests as quickly as possible. Please be aware that the termination will be effective from the dated it was mailed.

### **I have submitted an application and have passed the exam. When will my license issue?**

Once the Commission has been notified of the exam results and the background check has been cleared, a license will issue, the new licensee will show up on the **Licensee Info Search**, and the license will be mailed to your broker within two business days. If you license issues inactive, an inactive acknowledgment letter will be mailed to you.



# Inspector Insight

Texas Real Estate Commission \* Volume 1, Number 5 \* December 2010

## Texas Real Estate Commission

Volume 1, Number 5  
December 2010

**Larry Foster**  
Chair  
AUSTIN

**Brian P. Murphy**  
Vice-Chair  
ARLINGTON

**Jill Frankel**  
Secretary  
TEMPLE

**Ray Armendariz**  
EL PASO

**Curtis Carr**  
BEAUMONT

**Brad R. Phillips**  
TEMPLE

**Linda S. Robicheaux**  
HOUSTON

**Nancy J. Schriedel**  
PLANO

**Fred Willcox**  
HOUSTON

## New Rules Go Into Effect January 1, 2011

### HOME INSPECTORS

- The minimum passing score on the professional inspector examination was changed from 80% to 75%. (22 TAC §535.209)
- The maximum percentage of a classroom course that may be completed through field work was increased from 10 to 50%. (§535.213)
- Advertising rules were modified to clarify that text messages and messages through the internet (such as social networking websites) are “advertisements” if they are created or caused to be created by an inspector for the purpose of inducing a member of the public to use the inspector’s services. These types of advertising must adhere to the usual advertising rules, but websites need only show the license number of the inspector(s) placing the advertisements on a single main page (such as an “about us” page). (§535.221)
- Inspection reports must be delivered to the client within three days unless otherwise agreed to by the client. (§535.223)
- Inspection reports must contain the name and license number of each inspector who participated in performing the inspection, as well as the names of the sponsor of any participating real estate or apprentice inspector. (§535.223)
- Signatures of sponsoring inspectors are no longer required on reports. (§§535.223 and 535.224)
- Changes were made throughout the rules to reflect a greater emphasis on online transactions and electronic delivery of notices and license certificates.
- Additional changes are coming effective September 1, 2011:
  - ☞ Every real estate inspector and professional inspector (but not apprentices) will be required to take a 6-hour course in Standards of Practice/Ethics/Legal Update in order to renew the license. TREC is currently accepting applications for these courses from providers, and we anticipate that the courses will be available as soon as this winter or spring. (§535.212)
  - ☞ Applicants seeking to become licensed as real estate inspectors or professional inspectors will be required to take a specific number of hours in each core subject matter area (plumbing, electrical, report writing, etc.). See the TREC website for more details about this requirement. (§535.212)

## ...from Chairman Larry Foster

The Inspector Committee is gearing up for the rule changes implemented by the Commission, almost all of which are related to making our education more effective.

In January, we will conduct an exam review for both the Real Estate and Professional Inspector examinations. This is done at least once every two years to ensure the exam questions remain relevant. A panel composed of Committee members and other subject matter experts invited by PSI, our exam administrator, will meet for two days to conduct the review. This next review is very timely to ensure we maintain adequate minimum standards once the passing score is set at 75% for the Professional Inspector exam.

In addition, our educators will need to revise their course offerings to meet the newly designated hours per topic requirements for pre-licensure education, effective September 1, 2011. After that same date, inspectors will need to have taken a new 6 hour course in Texas Standards of Practice/Legal/Ethics Update in order to renew a license. These six hours will be counted as part of the 32 hours of continuing education currently required for each renewal. Both of these initiatives are very positive changes for our industry.

The legislative session kicks off in January and there are several issues of importance to inspectors that we will be monitoring. Clarifying the required pass rate calculation rule for first time exam takers, removal of the 6 month waiting period for retaking exams, requiring more field experience prior to professional licensure, and options with regard to errors & omission insurance are a few key issues of interest. Stay tuned for more news.

Soon the TREC Commissioners will put out notification for three new Inspector Committee members (current members can reapply). Come February 2011 there will be two spots on the committee for licensed inspectors and one for a member of the public. The term is for a six year commitment. More details will come, but start talking to your colleagues (or even nominate yourself!)

### FAQ Highlight:

**Q: Do the Standards of Practice require inspectors to report as deficient the presence of a transite pipe to be reported?**

**A:** Inspectors are not required to report the presence of transite pipe as a deficiency.

**Q: The Standards of Practice say that inspectors shall report deficiencies in electronic sensors in garage doors, but the general limitations section states that inspectors are not required to inspect photoelectric sensors. Do inspectors have to inspect electronic sensors in garage doors?**

**A:** Yes. The specific requirement to report deficient electronic sensors in garage doors takes precedence over the general limitation against inspecting photoelectric sensors.

**Q: Are inspectors required to inspect underground drainage systems or to test gutters or downspouts?**

**A:** Inspectors are not required to inspect anything buried, hidden, latent, or concealed. Accordingly, the requirement that inspectors report deficiencies in installed gutter and downspout systems applies only to visible deficiencies in above-ground gutter and downspout systems and not to underground drain piping, cisterns, or other buried components. Furthermore, there is no requirement that inspectors test gutters or downspouts (by pouring water into them or through other means).



# TALCB Bulletin

Texas Appraiser Licensing and Certification Board \* Volume 1, Number 8 \* December 2010

## Rule Amendments Adopted

At the November 2010 TALCB meeting, the Board adopted a number of changes to the rules regarding appraisers. In addition to rearranging some of the sections to make information easier to find, several substantive changes were made, effective January 2, 2011, to improve the appraiser regulatory program:

- Out of state appraisers seeking certification in Texas may obtain credit for the required education or experience by virtue of their out-of-state certification. (22 TAC §§153.13 and 153.15)
- Every appraiser must provide evidence of completion of appraiser continuing education (ACE) in order to renew, unless it has already been submitted to the Board by the provider. (ACE will no longer randomly audited. In the future, this change will enable the TALCB to show appraisers a complete record of their ACE on the agency website.) (§153.17)
- Appraisers must notify the Board within 30 days of disciplinary action against any other occupational license they hold (in Texas or elsewhere) and must respond within 20 days to any inquiry by the Board regarding a complaint matter (§153.20)
- Sponsoring or supervising appraisers must diligently sponsor their trainees. Diligent sponsorship includes direct supervision and training as necessary, ongoing training and supervision as necessary after the sponsor determines that direct supervision is no longer necessary, communication with an accessibility to the trainee, and review and quality control of the trainee's work. (§153.21)
- The reciprocity rules were amended to provide, in accordance with the newly enacted Dodd-Frank Consumer Protection Act, that the TALCB will accept an application for a license or certification by reciprocity to an appraiser from any state that recognizes reciprocity with Texas. (Moral character requirements must still be met before a license/certification will issue.) (§153.27)
- Certified and licensed appraisers are responsible for the totality of any report they sign. (§153.33)

Changes were made throughout the rules to reflect a greater emphasis on online transactions and electronic delivery of notices and license certificates.

### Inside this issue...

- ...from the Chairman ..... 2
- Disciplinary Actions.....3

#### Calendar of Events

Board Meetings

February 18, 2011  
At 10:00 a.m.  
( Austin )

#### Web site:

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

#### Phone

( 512 ) 459-2232

Texas Appraiser Licensing and  
Certification Board  
TALCB Bulletin

Rick Perry  
Governor

Board Members:

James B. Ratliff  
Chairman  
GARLAND

Mark A. McAnally  
Vice-Chair  
DESIGNEE MEMBER

Luis F. De La Garza, Jr.  
Secretary  
LAREDO

Walker R. Beard  
EL PASO

Malachi O. Boyuls  
DALLAS

Robert D. Davis, Jr.  
HOUSTON

Clinton P. Sayers  
AUSTIN

Sheryl R. Swift  
GALVESTON

Donna L. Walz  
LUBBOCK

TALCB Commissioner  
Douglas E. Oldmixon

Desktop Publishing  
Patricia Holder

Texas Appraiser Licensing  
and Certification Board  
P.O. Box 12188  
Austin, Texas 78711-2188  
(512) 459-2232  
<http://www.talcb.state.tx.us>

## ...from the Chairman

At the Board's November meeting, adoption of new rules was the primary order of business. Staff has done a very good job this year of highlighting those areas where our rules need improvement and clarification. I encourage you to go to the Board's website and review the changes that will go into effect on January 1, 2011.

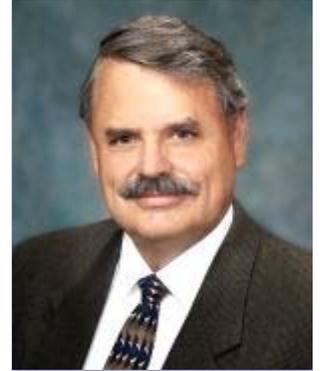
We also approved the 2011 operating budget, although it appears that state leadership will be asking for an additional 2.5% budget cut for this year, on top of the 5% budget cut that has already been adopted – which resulted in one staff reduction. This new reduction will hit us hard, as we are already a very lean organization and our complaint workload continues to rise. The impact to our appraiser license holders will be most directly felt in the slowdown of processing of new applications and certification upgrade requests. Although technology promises to offer us some relief, the staff needs time and resources to implement these modernizations and budget pressures may delay some improvements.

We made some minor adjustments to the Peer Investigative Committee (PIC) process to better utilize the talents of these volunteer professionals. Thank you for your service!

We continue to be concerned by the diminishing number of appraisal license holders in Texas. From a high of about 6,950 in the December 2007, we have seen a steady decline to just 6,140 in September 2010. The adoption of a single federal standard for license and certification reciprocity may affect this as appraisers become more professionally mobile. However, to protect Texas consumers, we will always insist upon a disciplinary and criminal history check that is over and above the federal education and experience standards. The widespread use of Appraisal Management Companies (AMCs) has had an impact on license numbers, and the new regulatory powers over AMCs resulting from this summer's federal financial reform act may have positive results in this area.

The 2011 legislative session will commence in January, and we know AMC legislation will be offered, as well as some improvements to our licensing act. Stay tuned for news.

Wishing all of you a very Happy Holiday Season; we will see you in the New Year!



James B. Ratliff, Chairman

**See TRECAdvisor page 1 for  
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# TALCB Disciplinary Actions November 2010



**SHEARER, James Elton**  
**Lic. # TX-1327322-R**

*Board Action Taken:* administrative penalty of \$1,000 and certification revocation being probated for 20 days under the following conditions: (1) Respondent shall provide a response to the Board within 20 days of the date of this order; (2) Respondent shall cooperate with Board staff in the investigation of this and all other disciplinary matters; and (3) Respondent shall not violate TEX. OCC. CODE Chapter 1103 or the Rules of the Texas Appraiser Licensing and Certification Board. *Complaint No.:* 10-292

**VINCENT, Jeffrey Albert**  
**Lic. # TX-1336151-L**

*Board Action Taken:* permanently revoke without formal charges, notice of hearing, or a formal hearing. *Complaint No.:* 10-351

**THOMPSON, William**  
**Lic. # TX-1321481-R**

*Board Action Taken:* Respondent shall: (1) Comply with all of the terms of the agreed final order in complaints #06-130 and #08-034 and forward any necessary documentation evidencing compliance within (6) six months of the effective date of this Agreed Final Order; and (2) Pay an administrative penalty of \$300.00.

*Complaint No.:* 10-166

*Reason for Complaint:* Respondent was required as part of the order to complete certain remedial education and pay an administrative penalty. Respondent has failed to comply with the remedial education and administrative penalty provisions of the agreed final order in complaints #06-130 and #08-034. *Summary of Violations Found:* Respondent has violated 22 TEX. ADMIN. CODE § 153.20(a)(21) by failing to comply with a final order of the board.

**SUNBECK, Harold Eldon**  
**Lic. # TX-1326117-G**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; (2) Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies or Attend and complete a minimum, 7 classroom-hour course in Valuation by Comparison: Residential Analysis and Logic or attend and complete a 15 classroom-hour course in the Sales Comparison Approach (i) No examination shall be required for the 7-hour course. *Complaint No.:* 09-018

**PICKETT, Clinton Carl**  
**Lic. # TX-1337798-R**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; (2) Attend and complete a minimum, 15 classroom-hour course in Sales Comparison Approach; (3) Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies or Residential Report Writing; and (4) Attend and complete a minimum, 7 classroom-hour course in Valuation by Comparison: Residential Analysis and Logic (i) No examination shall be required for this course. *Complaint No.:* 10-146

*Reason for Complaint:* Allegations that the Respondent had produced an appraisal report that contained various deficiencies.

*Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Competency; USPAP Standards: 1-2(e)(i) & 2-2(b)(iii); 1-4(b)(i) & 2-2(b)(viii); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-5(b) & 2-2(b)(viii); and 2-1(a). (2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(a)(9) by making material misrepresentations and omitting material facts from his appraisal report.

**PASILLAS, Manuel**  
**Lic. # TX-1326077-R**

*Board Action Taken:* Respondent shall: (1) Pay to the Board an administrative penalty of \$100.00. *Complaint No.:* 10-163

*Reason for Complaint:* Allegations that Respondent has failed to comply with a previous agreed final order.

*Summary of Violations Found:* Respondent violated 22 Tex. Admin. Code 153.20(a)(21) by not fulfilling the terms of the previous Agreed Order.

**NICHOLSON, Brad Lee**  
**Lic. # TX-1335584-G**

*Board Action Taken:* permanently revoke without formal charges, notice of hearing, or a formal hearing. *Complaint No.:* 10-354

**MARTIN, Christopher Curtis**  
**Lic. # TX-1333150-L**

*Board Action Taken:* Respondent shall: (1) Have his license suspended for twelve months with the suspension fully probated under the following conditions: (i) During the probated, twelve month suspension period Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board. The log shall be submitted every three months and shall detail all real estate appraisal activities he has conducted during the previous three month period. This experience log shall be signed by Respondent and contain a notarized affidavit attesting the log is true, complete and fully accurate. Upon request from the Board, Respondent shall provide copies of his appraisal reports and work files for any appraisal assignments he performs during the course of this period of probation within the twenty days of notice of any such request; (ii) Respondent shall fully and timely comply with all of the provisions of this Agreed Final Order (2) Attend and complete a minimum, 15 classroom-hour course in USPAP; (3) Attend and complete a minimum, 15 classroom-hour course in Cost Approach; (4) Attend and complete a minimum, 7 classroom-hour course in Residential Report Writing; (i) No examination shall be required for this course; and (5) Pay to the Board an administrative penalty of \$500.00. *Complaint No.:* 10-233

*Reason for Complaint:* Allegations that the Respondent had produced appraisal reports that contained various USPAP deficiencies. *Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Ethics Rule (record keeping provisions), USPAP Scope of Work Rule; USPAP Standards: 1-2(h) & 2-2(b)(vii); 1-2(e)(i) & 2-2(b)(iii); 1-4(f) & 2-2(b)(viii); 1-3(a) & 2-2(b)(viii); 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-4(b)(iii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 2-2(b)(viii); 1-5(b) & 2-2(b)(viii); 1-6(a) & (b) and 2-2(b)(viii); 1-1(a); 1-1(b); 1-1(c); and 2-1(a). (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by making material misrepresentations and omitting material facts from his appraisal report.

**MABRAY, Wynn McKnight**  
**Lic. # TX-1327762-R**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; (2) Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies; and (3) Attend and complete a minimum, 7 classroom-hour course in Valuation by Comparison: Residential Analysis and Logic or attend and complete a 15 classroom-hour course in the Sales Comparison Approach (i) No examination shall be required for the 7-hour course. *Complaint No.:* 06-042

**LOCKARD, Christopher**  
**Lic. # TX-1334997-R**

*Board Action Taken:* Respondent shall: (1) Have his certification suspended for twenty-four months with this suspension being fully probated under the following conditions: (i) During the probated, twenty-four month suspension period Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board. The log shall be submitted every three months and shall detail all real estate appraisal activities he has conducted during the previous three month period. This experience log shall be signed by Respondent and contain a notarized affidavit attesting the log is true, complete and fully accurate. Upon request from the Board, Respondent shall provide copies of his appraisal reports and work files for any appraisal assignments he performs during the course of this period of probation within the twenty days of notice of any such request; (ii) Respondent shall fully and timely comply with all of the provisions of this Agreed

Final Order. (2) Attend and complete a minimum, 15 classroom-hour course in USPAP; (3) Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies; (4) Attend and complete a minimum, 15 classroom-hour course in Cost Approach; (5) Attend and complete a minimum, 7 classroom-hour course in Valuation by Comparison: Residential Analysis and Logic (i) No examination shall be required for the 7 classroom-hour course; (6) Attend and complete a minimum, 7 classroom-hour course in Whatever Happened to Quality Assurance in Residential Appraisals: Avoiding Risky Appraisals and Risky Loans. (i) No examination shall be required for the 7 classroom-hour course; (7) Attend and complete a minimum, 7 classroom-hour course in Mortgage Fraud; (i) No examination shall be required for the 7 classroom-hour course; and (8) Pay to the Board an administrative penalty of \$2,000. *complaint No.:* 09-125

*Reason for Complaint:* Allegations that the Respondent had produced an appraisal report that contained various USPAP deficiencies. *Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Ethics Rule (record keeping); USPAP Standards: 1-2(e)(i) & 2-2(b)(iii); 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-1(a); 1-1(b); 1-1(c); and 2-1(a). (2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(a) (9) by making material misrepresentations and omitting material facts from his appraisal report.

**LARA, Michael Henry**  
**Lic. # TX-1337757-L**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; and (2) Attend and complete a minimum, 7 classroom-hour course Whatever Happened to Quality Assurance in Residential Appraisals: Avoiding Risky Appraisals and Risky Loans; (i) No examination shall be required for this course. *Complaint No.:* 10-027

*Reason for Complaint:* The complaint alleged that Respondent failed to comply with the Uniform Standards of Professional Appraisal Practice ("USPAP") in his completion of his reports.

*Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Ethics Rule (record keeping provisions); USPAP Standards Rules: 1-2(f) or 1-2(g) & 2-1(c); 1-2(e)(i) & 2-2(b)(iii); 1-3(a) & 2-2(b)(viii); 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-4(b)(iii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-1(a); 1-1(b); 1-1(c); and, 2-1(a). (2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(a)(9) by omitting material facts.

**KEY, Summer Ann**  
**Lic. # TX-1332901-R**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; (2) Attend and complete a minimum, 15 classroom-hour course in Residential Site Valuation and Cost Approach; and (3) Attend and complete a minimum, 7 classroom-hour course in Valuation by Comparison: Residential Analysis and Logic; (i) No examination shall be required for this course. *Complaint No.:* 09-202

*Reason for Complaint:* Allegations that the Respondent had produced an appraisal report that contained various deficiencies. *Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Standards: 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-1(a); 1-1(b); 1-1(c); and 2-1(a). (2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(a)(9) by omitting material facts from her appraisal report.

**GILBERT, Karen W.**  
**Lic. # TX-1325325-G**

*Board Action Taken:* permanently revoke without formal charges, notice of hearing, or a formal hearing. *Complaint No.:* 08-090

**GARZA, Ramiro**  
**Lic. # TX-1323922-R**

*Board Action Taken:* REVOKED, effective twenty days after the date RAMIRO GARZA is notified of this Final Order. *Complaint No.:* 10-161

**GARVIN, Freddy David**  
**Lic. # TX-1326120-R**

*Board Action Taken:* be permanently revoke without formal charges, notice of hearing, or a formal hearing. *Complaint No.:* 08-062

*Reason for Complaint:* The complaint alleged that Respondent failed to comply with the Uniform Standards of Professional Appraisal Practice.

**GAMBLE, Christopher T.**  
**Lic. # TX-1331127-R**

*Board Action Taken:* Respondent shall: (1) Have his certification suspended with that suspension fully probated for eighteen (18) months under the conditions that: (i) During the entire probated, eighteen month suspension period Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board. The log shall be submitted every three months and shall detail all real estate appraisal activities he has conducted during the previous three month period. This experience log shall be signed by Respondent and contain a notarized affidavit attesting the log is true, complete and fully accurate. Upon request from the Board, Respondent shall provide copies of his appraisal reports and work files for any appraisal assignments he performs during the course of this period of probation within the twenty days of notice of any such request; (ii) Respondent shall not sponsor any appraiser trainees during this entire eighteen (18) month probated suspension period; and, (iii) Respondent shall fully and timely comply with all of the provisions of this Agreed Final Order. (2) Attend and complete a minimum, 15 classroom-hour course in USPAP; (3) Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies; (4) Attend and complete a minimum, 7 classroom-hour course in Whatever Happened to Quality Assurance in Residential Appraisals: Avoiding Risky Appraisals and Risky Loans; (i) No examination shall be required for this course; and (5) Attend and complete a minimum, 7 classroom-hour course in Appraising the Tough Ones or Complex Residential Appraisals; (i) No examination shall be required for this course. *Complaint No.:* 09-105

*Reason for Complaint:* Allegations that the Respondent had produced an appraisal report that contained various deficiencies.

*Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Standards: 1-2(e)(i) & 2-2(b)(iii); 1-3(a) & 2-2(b)(viii); 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(iii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-5(a) & 2-2(b)(viii); 1-1(a); 1-1(b); 1-1(c); and, 2-1(a). (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by making material misrepresentations and omitting material facts from his appraisal report.

**DECOVIC, Larry Hood**  
**Lic. # TX-1320138-G**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; (2) Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies; and (3) Attend and complete a minimum, 7 classroom-hour course in Valuation by Comparison: Residential Analysis and Logic or attend and complete a 15 classroom-hour course in the Sales Comparison Approach (i) No examination shall be required for the 7-hour course. *Complaint No.:* 06-042 & 09-018

**COLE, Stephen Craig**  
**Lic. # TX-1333501-L**

*Board Action Taken:* REVOKED, effective twenty days after the date STEPHEN CRAIG COLE is notified of this Final Order. *complaint No.:* 10-293

**COFFIN, Richard Wade**  
**Lic. # TX-1321570-R**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; and (2) Attend and complete a minimum, 7 classroom-hour course in Whatever Happened to Quality Assurance in Residential Appraisals: Avoiding Risky Appraisals and Risky Loans or a minimum 15 classroom-hour course in the Cost Approach; (i) No examination shall be required for the 7 classroom-hour course; *Complaint*

No.: 09-227

*Reason for Complaint:* Allegations that the Respondent had produced an appraisal report that contained various deficiencies. *Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Standards: 1-2(e)(i) & 2-2(b)(iii); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-4(b)(iii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-5(b) & 2-2(b)(viii); 1-1(a); 1-1(b); 1-1(c); and, 2-1(a). (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by making material misrepresentations and omitting material facts from his appraisal report

**CHACON, Heriberto**  
**Lic. # TX-1337458-L**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; (2) Attend and complete a minimum, 15 classroom-hour course in the Cost Approach or the Income Approach; and (3) Attend and complete a minimum, 7 classroom-hour course in Valuation by Comparison: Residential Analysis and Logic; (i) No examination shall be required for this course. *Complaint No.:* 09-229

*Reason for Complaint:* Allegations that the Respondent had produced an appraisal report that contained various deficiencies.

*Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.5535 & 5545, and 22 TEX. ADMIN. CODE §§ 153.20(a)(3); 153.20(a)(9); 153.33(a); 153.37(a); and 155.1(a): USPAP Ethics Rule (record keeping provisions); USPAP Standards: 1-2(c) & 2-2(b)(v); 1-3(a) & 2-2(b)(viii); 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-4(b)(iii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-4(c)(i) & 2-2(b)(viii); 1-4(c)(ii) & 2-2(b)(viii); 1-4(c)(iv) & 2-2(b)(viii); 1-1(a) & 1-4(c); 1-5(a) & 2-2(b)(viii); 1-1(a); 1-1(b); 1-1(c); and, 2-1(a); (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by omitting material facts from his appraisal report.

**BRYANT, Robert Wesley**  
**Lic. # TX-1330330-R**

*Board Action Taken:* Respondent shall: (1) Attend and complete a minimum, 15 classroom-hour course in USPAP; (2) Attend and complete a minimum, 15 classroom-hour course in the Income Approach or in the Residential Sales Comparison Approach or in Residential Case Studies; and (3) Attend and complete a minimum, 7 classroom-hour course in Valuation by Comparison: Residential Analysis and Logic; (i) No examination shall be required for this course *Complaint No.:* 07-185

*Reason for Complaint:* Allegations that the Respondent had produced an appraisal report that contained potential violations of USPAP.

*Summary of Violations Found:* (1) Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Ethics Rule (record keeping provisions); USPAP Standards: 1-2(e)(i) & 2-2(b)(iii); 1-2(e)(iv) & 2-2(b)(viii); 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-4(c)(iii) & 2-2(b)(viii); 1-1(a) & 1-4(c); 1-5(a) & 2-2(b)(viii); 1-5(b) & 2-2(b)(viii); 1-6(a) & (b); 2-2(b)(viii); 1-1(a); 1-1(b); 1-1(c); and, 2-1(a). (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by making material misrepresentations and omitting material facts.

**ARNOLD, Paul Edward**  
**Lic. # TX-1323120-R**

*Board Action Taken:* Respondent shall not seek renewal of his certification, nor apply to the Board for any authorization, license, certification or registration in the future. *Complaint No.:* 10-333

*Reason for Complaint:* The complaint alleged that Respondent's appraisal report for the property had an inflated value.

*Summary of Violations Found:* Respondent violated 22 TEX. ADMIN. CODE §§ 153.20(a)(2), 153.22 and 153.24(6).