



Staff Reports for February 2002

Texas Real Estate Commission

Monthly Staff Reports

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Enforcement Division Report

Case Status

February 2002

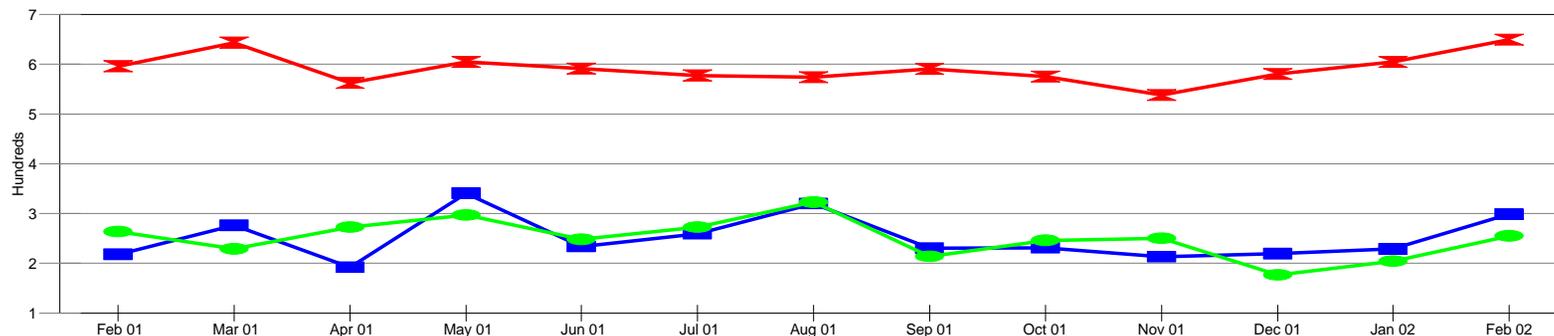
	February 2002	YTD
Open at Beginning of the Month	605	-----
Opened During the Month	299	1,421
Closed During the Month	-255	-1,346
Adjustment *	0	0
Open at End of Month	649	-----

* Cases not accounted for in previous monthly reports

	Feb 01	Mar 01	Apr 01	May 01	Jun 01	Jul 01	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02
Opened During Month	218	276	192	341	234	259	320	230	231	213	219	229	299
Closed During Month	264	229	273	297	248	273	323	214	246	250	177	204	255
Open at End of Month	596	643	562	605	591	577	574	590	575	538	580	605	649

Case Status

13 Month Trend



—■— Opened During Month
 —●— Closed During Month
 —×— Open at End of Month

Enforcement Division

Administrative Actions

February 2002

Name and Location	Order	Basis for Order
Wiggins, Lonnie L. (The Colony); license# 170329	Agreed reprimand of broker license, entered February 4, 2002; Agreed administrative penalty of \$500, entered February 4, 2002	acting negligently or incompetently by failing to ensure a person expected to conduct real estate brokerage services for him had renewed their real estate salesperson license after it expired, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Sommer, Mark Allen (Dallas); license# 311240	Agreed reprimand of broker license, entered February 5, 2002; Agreed administrative penalty of \$200, entered February 5, 2002	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission
Venzon, Marcia Cobb (Corpus Christi); license# 280042	Revocation of broker license, effective February 7, 2002	payment of \$50,000.00 made by the Texas Real Estate Commission from the Real Estate Recovery Fund toward satisfaction of a judgment against Marcia Cobb Venzon, in violation of Section 8(i) of The Real Estate License Act
White, Anthony Demond (Fort Worth); license# 460449	Revocation of salesperson license, effective February 8, 2002	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 The Real Estate License Act
Cook, Walter Lee (Lancaster); license# 241590	Agreed reprimand of broker license, entered February 11, 2002	failing to provide information to the Commission in response to 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 of the Texas Real Estate Commission
Frye, Charles David (Killeen); license# 209725	Agreed 6 month suspension of broker license, entered February 15, 2002 and probated for 1 year beginning April 15, 2002	acting negligently or incompetently by failing to ensure that the bank account used in his real estate business, or that of the salesperson he sponsored, complied with the Texas Real Estate License Act and Rules, in violation of Section 15(a)(6)(W) of The Texas Real Estate License Act
Andrews, Ricky Ray (Livingston); license# 459686	Reprimand of salesperson license, entered February 19, 2002	failing to disclose to purchasers property defects which had been revealed by a previous inspection report of the property, in violation of Section 15(a)(6)(A); failing to take adequate care to ensure that the purchasers had notice of defects within his knowledge, thereby acting negligently or incompetently in performing an act for which a person is required to hold a real estate license, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Acuna, DiAnne (Georgetown); license# 441191	Agreed reprimand of salesperson license, entered February 28, 2002	acting negligently or incompetently by failing to ensure that all necessary steps were taken to finalize a sales contract prior to its delivery to a title company and failing to identify to the sellers that the buyer was a real estate broker, in violation of Section 15(a)(6)(W); and failing at first contact with a seller to disclose that she represented the buyer, in violation of Section 15C(a) of The Real Estate License Act
Potts, Lloyd Lewroy (Georgetown); license# 249491	Agreed reprimand of broker license, entered February 28, 2002	acting negligently or incompetently by failing to exercise adequate supervision over and directions to a salesperson he sponsors when the salesperson failed to take all necessary steps to finalize a sales contract prior to its delivery to a title company, failing to identify to the sellers that the buyer was a real estate broker, and failed at first contact with a seller to disclose that she represented the buyer, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Enforcement Division

Administrative Actions

February 2002

Name and Location	Order	Basis for Order
Edwards, Keith Kamen (Spring); license# 253460	Agreed 3 month suspension of broker license fully probated for 1 year, effective February 19, 2002	while acting as a property manager, failing to forward to taxing authorities property tax payments which had been entrusted to him by a client, thereby failing within a reasonable time properly to account for or remit money coming into his possession which belonged to others, in violation of Section 15(a)(6)(E); failing to ensure that tax payments were properly made and failing to maintain adequate records to demonstrate his handling of the client's funds, thereby acting negligently or incompetently in performing an act for which a person is required to hold a real estate license, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Wallace, Kent M. (Richardson); license# 430261	Agreed reprimand of broker license, entered February 4, 2002	acting negligently or incompetently by pursuing recovery of commissions by seeking mediation services, hiring a law firm to pursue debt collection, and filing a small claims suit after the broker and clients had terminated their agreement for services in 2 violations of Section 15(a)(6)(W) of The Real Estate License Act
Gallagher, Kathleen Bridget (Fort Worth); license# 458992	Agreed reprimand of broker license, entered February 4, 2002	acting negligently or incompetently by engaging in a commission dispute when there was no written agreement separate from a sales contract obligating the other party to pay, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Jordan, Timothy J. (Dallas); license# 429462	Agreed reprimand of salesperson license, entered February 15, 2002; Agreed administrative penalty of \$200, entered February 15, 2002	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of The Rules of the Texas Real Estate Commission
King, Stephen Melvin, Jr. (Houston); license# 458435	Agreed reprimand of salesperson license, entered February 13, 2002	failing within a reasonable time after execution of a sale contract to deposit earnest money received as a buyer's agent in a transaction in trust with the title company acting as escrow agent, in violation of Section 15(a)(6)(Y); failing to timely forward the buyer's option fee received by him to the seller in the transaction and failing to notify the seller of the buyer's intention to terminate the sale contract until after the buyer's option period had expired, thereby acting negligently or incompetently in performing an act for which a person is required to hold a real estate license, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Information Services Division

Electronic Information Outlet Statistics

February 2002

	Current Month	YTD
World Wide Web		
Total Pages Viewed	1,018,631	5,328,107

	Current Month	YTD
TRECFax		
Documents Requested	722	4,365

	Current Month	YTD
Total		
Documents Accessed	1,019,353	5,332,472

TREC-L List Server		
Current Subscribers	4,516	

Licensing and Education Division

Fiscal Year Comparison

Fiscal Year 2001 - Year to Date

	This FY 09/01-02/02	Last FY 09/00-02/01	Count	Change Percent
Applications Received				
Broker Original Applications Received	1,041	587	454	77.34%
Sales Original Applications Received	<u>7,847</u>	<u>4,301</u>	<u>3,546</u>	<u>82.45%</u>
Total Original Applications	8,888	4,888	4,000	81.83%
Broker Late Renewal Applications Received	517	539	-22	-4.08%
Sales Late Renewal Applications Received	<u>1,724</u>	<u>1,616</u>	<u>108</u>	<u>6.68%</u>
Total Late Renewal Applications Received	2,241	2,155	86	3.99%
Licenses Issued from Applications				
Broker Licenses from Original Applications	715	575	140	24.35%
Sales Licenses from Original Applications	<u>7,274</u>	<u>3,667</u>	<u>3,607</u>	<u>98.36%</u>
Total Licenses from Original Applications	7,989	4,242	3,747	88.33%
Broker Licenses from Late Renewal Applications	514	577	-63	-10.92%
Sales Licenses from Late Renewal Applications	<u>2,637</u>	<u>1,594</u>	<u>1,043</u>	<u>65.43%</u>
Total Licenses from Late Renewal Applications	3,151	2,171	980	45.14%

Licensing and Education Division

Licensee and Registrant Status

February 2002

Real Estate Licensees

	Feb 01	Mar 01	Apr 01	May 01	Jun 01	Jul 01	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02
Broker Licensees													
Individual (Active)	33,666	33,600	33,550	33,482	33,431	33,372	33,342	33,299	33,253	33,202	33,177	33,240	33,291
Corporation (Active)	3,589	3,598	3,578	3,583	3,584	3,590	3,598	3,607	3,607	3,611	3,615	3,625	3,643
LLC (Active)	318	321	320	332	347	354	359	367	379	389	396	402	412
Non-resident (Active)	503	500	500	497	492	491	491	486	484	478	477	475	476
Partnership (Active)	4	4	4	4	4	4	3	2	2	2	2	2	2
Total Active Status	38,080	38,023	37,952	37,898	37,858	37,811	37,793	37,761	37,725	37,682	37,667	37,744	37,824
Inactive Status	1,888	1,897	1,889	1,894	1,887	1,881	1,880	1,878	1,877	1,882	1,859	1,867	1,871
Total Brokers	39,968	39,920	39,841	39,792	39,745	39,692	39,673	39,639	39,602	39,564	39,526	39,611	39,695
Sales Licensees													
Active Status	47,197	47,538	47,975	48,586	48,817	49,393	49,767	49,898	50,210	50,381	50,368	50,088	50,632
Inactive Status	23,543	23,428	23,081	22,871	22,732	22,625	22,551	22,606	22,818	22,882	23,284	24,243	24,166
Total Sales	70,740	70,966	71,056	71,457	71,549	72,018	72,318	72,504	73,028	73,263	73,652	74,331	74,798
Total Active	85,277	85,561	85,927	86,484	86,675	87,204	87,560	87,659	87,935	88,063	88,035	87,832	88,456
Total Inactive	25,431	25,325	24,970	24,765	24,619	24,506	24,431	24,484	24,695	24,764	25,143	26,110	26,037
Total Brokers & Sales	110,708	110,886	110,897	111,249	111,294	111,710	111,991	112,143	112,630	112,827	113,178	113,942	114,493

Inspectors

	Feb 01	Mar 01	Apr 01	May 01	Jun 01	Jul 01	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02
Inspector Licensees													
Professional Inspectors	1,684	1,707	1,733	1,746	1,774	1,798	1,813	1,832	1,852	1,879	1,901	1,919	1,923
Real Estate Inspectors	175	180	176	172	166	171	176	170	174	177	180	175	175
Apprentice Inspectors	160	172	180	185	194	201	207	203	200	191	191	187	184
Total Inspectors	2,019	2,059	2,089	2,103	2,134	2,170	2,196	2,205	2,226	2,247	2,272	2,281	2,282

Easement & Right-of-way Registrants

	Feb 01	Mar 01	Apr 01	May 01	Jun 01	Jul 01	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02
ERW Registrants													
Businesses	45	43	43	39	39	39	38	39	41	41	41	45	39
Individuals	924	938	933	920	912	914	914	914	920	922	896	892	858
Total Registrants	969	981	976	959	951	953	952	953	961	963	937	937	897

Total Licensees and Registrants

	Feb 01	Mar 01	Apr 01	May 01	Jun 01	Jul 01	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02
All Licensees & Registrants	113,696	113,926	113,962	114,311	114,379	114,833	115,139	115,301	115,817	116,037	116,387	117,160	117,672

Licensing and Education Division

Examination Activity

February 2002

Monthly Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	876	101	0	26
Examinations Failed	1,623	119	8	63
Examinations Taken	2,499	220	8	89
Applicants Examined	1,504	137	5	71
1st Time Passed	523	58	0	17
Examination Pass Rate	35.05%	45.91%	0.00%	29.21%
Applicant Pass Rate	58.24%	73.72%	0.00%	36.62%
1st Time Pass Rate	34.77%	42.34%	0.00%	23.94%

Year-to-Date Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	5,505	541	14	176
Examinations Failed	10,239	697	38	334
Examinations Taken	15,744	1,238	52	510
Applicants Examined	6,911	637	30	316
1st Time Passed	2,658	290	8	92
Examination Pass Rate	34.97%	43.70%	26.92%	34.51%
Applicant Pass Rate	79.66%	84.93%	46.67%	55.70%
1st Time Pass Rate	38.46%	45.53%	26.67%	29.11%

Staff Services Division

Agency Financial Statement

February 2002

THRU 6th MONTH OF FISCAL YEAR 2002

STRATEGIES	FY 2002 APPROPRIATION *	6/12 ANNUAL APPROPRIATION	6 MONTHS EXPENDITURES A/P AND ENC.	DOLLAR VARIANCE OVER(-) OR UNDER	PERCENT VARIANCE OVER(-) OR UNDER
Licensing	\$ 1,203,290.00	\$ 601,645.00	\$ 626,092.51	\$ -24,447.51	-4.06%
Enforcement	1,013,699.00	506,849.50	559,465.73	-52,616.23	-10.38%
Communication/Information	782,840.00	391,420.00	356,588.11	34,831.89	8.90%
Indirect Administration	1,334,162.00	667,081.00	828,096.11	-161,015.11	-24.14%
TOTAL	\$ <u>4,333,991.00</u> *	\$ <u>2,166,995.50</u>	\$ <u>2,370,242.46</u>	\$ <u>-203,246.96</u>	-9.38% **

* Total appropriations have been increased by \$50,830 for benefit replacement pay, \$30,000 for longevity increases, and \$104,880 for the salary increase authorized by the Legislature.

**Variance reflects annual hardware maintenance and software support due at the beginning of a new fiscal year and the legislative provision which requires the encumbrance of all contractual obligations through the end of the fiscal year.

Staff Services Division

Real Estate Recovery Fund No. 971 Investments Current Securities February 2002

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
10/21/1999			100,312.50	-100,312.50	0.00	0.00	U.S. T-Notes, 6.25%	02/28/2002
02/15/2001			100,312.50	-100,312.50	0.00	0.00	U.S. T-Notes, 6.25%	02/28/2002
02/26/1996	300,000.00	313,312.50	307,031.25	-843.75	306,187.50	796.88	U.S. T-Notes, 6.375%	08/15/2002
10/21/1999	200,000.00	201,500.00	208,000.00	-375.00	207,625.00	520.83	U.S. T-Notes, 6.25%	02/15/2003
10/21/1999	100,000.00	98,937.50	104,500.00	-31.25	104,468.75	239.58	U.S. T-Notes, 5.75%	08/15/2003
10/31/1996	100,000.00	97,656.25	104,500.00	-31.25	104,468.75	239.58	U.S. T-Notes, 5.750%	08/15/2003
01/22/1997	300,000.00	291,375.00	315,937.50	281.25	316,218.75	734.38	U.S. T-Notes, 5.875%	02/15/2004
09/28/2000	100,000.00	100,312.50	106,062.50	250.00	106,312.50	250.00	U.S. T-Notes, 6.00%	08/05/2004
09/28/2000	300,000.00	307,406.25	324,000.00	1,312.50	325,312.50	5,687.50	U.S. T-Notes, 6.50%	05/15/2005
09/28/2001	100,000.00	107,968.75	105,656.25	593.75	106,250.00	1,677.08	U.S. T-Notes, 5.75%	11/15/2005
02/15/2001	300,000.00	309,000.00	315,937.50	1,781.25	317,718.75	703.13	U.S. T-Notes, 5.625%	02/15/2006
Totals	\$ 1,800,000.00	\$ 1,827,468.75	\$ 2,092,250.00	\$ -197,687.50	\$ 1,894,562.50	\$ 10,848.96		

	Current Month	Cumulative Totals
Receipts:		
Licensees' Remittances to Recovery Fund	\$ 10,200.00	\$ 4,339,680.08
Interest Realized	45,625.00	5,261,262.93
Repayments to Recovery Fund (Principal and Interest)	2,230.15	861,374.04
Administrative Penalties	900.00	186,150.00
Total Received	\$ 58,955.15	\$ 10,648,467.05
Disbursements:		
Investments Purchased (See Current Securities Li)	\$ -202,437.50	\$ 1,827,468.75
Accrued Interest Purchased (See Current Securities L)	0.00	0.00
Payments from Recovery Fund	50,000.00	8,349,787.20
Rider Disbursements	10.00	9,063.26
Total Disbursed	-152,427.50	10,186,319.21
Totals	\$ 211,382.65	\$ 462,147.84
	(Current Month)	

Reserved for Purchase of Investments	-200,000.00
Reserved for Payments Within Next 90 Days	<u>-228,500.00</u>
Balance	\$ 33,647.84

Investment Position: The Fund is capable of meeting all known obligations.
Investment Compliance: The Investment Policy of the Commission has been followed.



Karen Alexander, Alternate Investment Officer

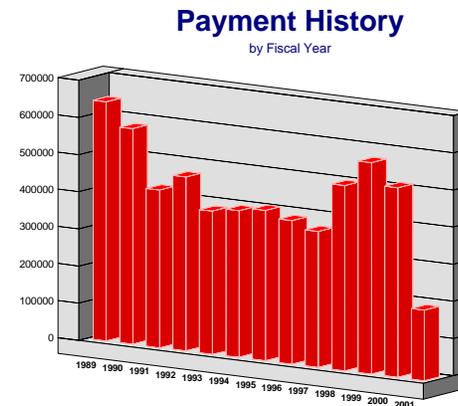
Staff Services Division
Real Estate Recovery Fund No. 971
Payments and Repayments
February 2002

Month-Year	Payment Total	Repayment Total	Admin. Penalties Total	Rider Disbursements	Payments FY 2002 To Date	Number of Payments
February 2001	9,022.77	3,030.93	1,800.00	44.40		
March 2001	2,225.98	3,080.93	1,300.00	9.00		
April 2001	0.00	32,032.90	1,500.00	40.72		
May 2001	0.00	1,529.00	2,250.00	22.00		
June 2001	0.00	2,203.65	2,500.00	0.00		
July 2001	76,072.99	1,704.18	400.00	0.00		
August 2001	28,307.88	2,404.18	2,050.00	32.34		
September 2001	37,408.92	1,704.18	850.00	0.00	37,408.92	1
October 2001	124,842.13	13,768.39	900.00	33.00	124,842.13	3
November 2001	53,829.44	2,204.18	2,000.00	0.00	53,829.44	2
December 2001	23,563.01	12,718.15	0.00	0.00	23,563.01	1
January 2002	11,380.39	3,976.40	-4,350.00	47.42	11,380.39	1
February 2002	50,000.00	2,230.15	900.00	10.00	50,000.00	1
	416,653.51	82,587.22	12,100.00	238.88	301,023.89	9

Payment History		
Fiscal Year	# of Payments	Total Payments
thru 1988	221	\$2,236,975.54
1989	47	\$642,518.64
1990	42	\$579,467.82
1991	39	\$423,560.08
1992	35	\$467,668.69
1993	33	\$384,067.85
1994	31	\$394,466.36
1995	29	\$404,449.31
1996	26	\$385,724.99
1997	20	\$365,445.94
1998	27	\$497,406.17
1999	21	\$568,326.88
2000	18	\$509,279.95
2001	11	\$189,405.09

Projected Payments *

Next 3 Months \$ 228,500.00



* Projected Payments: Payments could be made in the time periods indicated. Several time/work variables can affect the actual payment dates.

Staff Services Division

Real Estate Inspection Recovery Fund No. 988

February 2002

	Monthly Activity			Payment History		
	Beginning Balance	Current Month	Cumulative Totals	Fiscal Year	Number of Payments	Total Payments
Beginning Balance	\$ 610,816.46		\$ 610,816.46	1991	2	\$ 4,309.26
Receipts:				1992	0	0.00
Licensees' Remittances to Recovery Fund		2,300.00		1993	2	15,000.00
Interest Realized		0.00		1994	5	31,473.40
Repayments		0.00		1995	4	25,668.83
Administrative Penalties		0.00		1996	2	7,500.00
Total Received in Current Month			\$ 2,300.00	1997	1	7,500.00
Disbursements:				1998	4	30,000.00
Payments from Recovery Fund	\$ 0.00			1999	1	7,500.00
Cash Transfer to General Revenue		0.00		2000	6	45,000.00
Rider Disbursements		9.00		2001	0	0.00
Total Disbursed in Current Month			\$ 9.00	2002	2	15,000.00
						\$ <u>188,951.49</u>
Fund Balance			\$ <u>613,107.46</u>			

Investment Position: The Fund is capable of meeting all known obligations.

Investment Compliance: The Investment Policy of the Commission has been followed.



Karen Alexander, Alternate Investment Officer