

MINUTES  
Texas Real Estate Commission  
February 22, 1999  
Conference Room 235, Texas Real Estate Commission  
Austin, Texas

Chairman Brummett called the regularly scheduled meeting of the Texas Real Estate Commission to order at 9:00 a.m., Monday, February 22, 1999. Besides Chairman Brummett, members present were Ms. Sutton, Mr. Cantu, Ms. Gonzalez-Gil, Ms. Lewis, and Ms. Folmer. Mr. Katine arrived at 9:15 a.m. Mr. Cantu, seconded by Ms. Sutton, moved to excuse Ms. Mayfield's and Mr. Brodie's absence. The motion was adopted by unanimous vote.

Staff present were: Wayne Thorburn, Administrator; Brian Francis, Assistant Administrator; Mark Moseley, General Counsel; Don Dudley, Director of Licensing and Education; Alan Waters, Director of Staff Services, Loretta DeHay, Director of Enforcement; Glen Bridge, Director of Information Services; and Patricia Holder, Executive Assistant.

After calling the meeting to order, the Chairman led the attendees in the pledge of allegiance and the Texas pledge of allegiance.

The Chairman moved to agenda item two, election of vice-chairperson and secretary. Ms. Folmer, seconded by Mr. Cantu, nominated Ms. Mayfield for Vice-Chairperson. Ms. Mayfield was elected by unanimous vote. Mr. Cantu, seconded by Ms. Lewis, nominated Ms. Folmer for Secretary. Ms. Folmer was elected by unanimous vote.

The Chairman moved to agenda item three, committee appointments. After discussion, no action was taken at this time.

The Chairman moved to agenda item four, minutes of the January 11, 1999, Commission meeting. Mr. Cantu, seconded by Mr. Katine, moved to approve the minutes as mailed. The motion was adopted by unanimous vote.

Larry Foster, Chairman of the Texas Real Estate Inspectors Committee, (TREIC) reported that the TREIC had conducted its elections. Larry Foster was reelected Chairman of the TREIC. Mort Jacobs was reelected Vice Chairman, and Mike Crow was elected Secretary. Mr. Foster stated that the committee endorsed the TREC's housekeeping bill as submitted for filing. Ray Armendariz and Jim Cole whose terms ended on February 1, 1999, were recognized for their service as members of the TREIC.

Chairman Brummett moved to agenda item five, staff reports; committee reports. Ms. DeHay reported that the investigator from El Paso, Graydon Turner, would be retiring at the end of February. Ms. DeHay also reported on the TREC's enforcement monthly report.

Mr. Bridge reported that the licensee inquiry page on the TREC's web site was seeing a lot of activity and there had been a continuing increase in the number of subscriptions to the TREC list server.

Mr. Dudley reported that 64% of individuals and 89% of businesses had renewed their easement or right-of-way certificates. Mr. Dudley reported that the new MCE reporting system was being implemented and everyone was pleased with the way it was working. Mr. Dudley announced that the Texas Real Estate Teachers Association (TRETA) conference would be held in Houston on April 8, 9, and 10 and there would be an examination item writing session on Thursday, April 8 starting at 3:30 p.m.

Mr. Waters reported on the 2<sup>nd</sup> Quarter Report on Measures for fiscal year 1999. He also reported that the State Auditors would be doing a routine review of the TREC's compliance with the public funds investment act.

Mr. Thorburn recognized Sam Stewart, President of the Texas Association of Real Estate Brokers. Mr. Thorburn invited those present to attend the TREC's Black History program at 2:00 p.m. in room 235. A number of African American elected officials would be attending. The featured speaker would be the Honorable Michael Williams, recently appointed by Governor Bush to serve on the Railroad Commission.

Chairman Brummett moved to agenda item six, general comments from visitors. There were no comments from members of the public.

Chairman Brummett moved to agenda item seven, discussion and possible action to adopt amendment to 22 TAC §535.154, concerning advertising. Mr. Moseley, presented the item for discussion. Mr. Bridge demonstrated, using a computer and wall-mounted screen, how a licensee could format a web page consistent with the rule. After discussion, Mr. Katine, seconded by Ms. Lewis moved to adopt the amendment to 22 TAC §535.154, concerning advertising as presented. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item eight, discussion of and possible action to propose amendments to (a) 22 TAC Chapter 537, concerning standard contract forms and (b) 22 TAC §541.1, concerning criminal offense guidelines. Mr. Moseley presented the amendment to 22 TAC Chapter 537, concerning standard contract forms. Comments were offered by Chairman Brummett, Rick Knowles, Broker-Lawyer Committee, and Ron Walker, counsel for the Texas Association of Realtors. After discussion, Ms. Sutton, seconded by Ms. Lewis, moved to publish the amendment as submitted with the exception of the proposed changes to Section 537.11(d). The motion was discussed and comments were solicited from Mr. Moseley and Mr. Walker. Chairman Brummett called for a vote. Ms. Gonzalez-Gil, Ms. Sutton, Ms. Lewis, Ms. Folmer and Mr. Cantu voted in favor of the motion. Mr. Katine and Chairman Brummett voted against the motion. The motion was adopted. Mr. Moseley presented the amendment to 22 TAC §541.1, concerning criminal offense guidelines. After discussion, Mr. Katine, seconded by Ms. Sutton, moved to publish the amendment as presented. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item ten, discussion and possible action to authorize filing notice of intention to review 22 TAC §§535.1-535.53, concerning provisions of The Real Estate License Act. Mr. Moseley presented the item. Mr. Katine, seconded by Ms. Lewis, moved to authorize filing notice of intention to review 22

TAC §§535.1-535.53. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item eleven, executive session to discuss pending litigation pursuant to Texas Government Code, §551.071. Executive session began at 10:35 a.m.

Chairman Brummett called the meeting back in session at 10:45 a.m. The Chairman moved to agenda item twelve, discussion and possible action to authorize payments from recovery funds. Mr. Moseley presented the following claims.

RF 97-009, Urbina v. Baker, in the amount \$2,500 for actual damages and attorney fees in the amount of \$5,000. Ms. Folmer, seconded by Mr. Cantu, moved to approve payment. The motion was adopted by unanimous vote.

RF 98-025, Story v. Blankenship, in the amount of \$38,450 for actual damages and attorney fees in the amount of \$11,550. Mr. Katine, seconded by Mr. Cantu, moved to approve payment. The motion was adopted by unanimous vote.

IRF 99-002, Leon and Shirley Talent v. Odis Johnson, in the amount of \$7,500 for actual damages. Ms. Lewis, seconded by Mr. Cantu, moved to approve payment. The motion was adopted by unanimous vote.

RF 77-002, Richard Esquivel v. Oswaldo V. Perez. Mr. Katine, seconded by Ms. Lewis, moved to authorize staff to sign a partial release for the net proceeds in the amount of \$3,500 payable to the TREC for the recovery fund. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item 13, discussion and possible action on legislative update. Mr. Francis provided an update on legislative actions. Mr. Francis reported on the TREC's hearing before the Senate Finance Committee on February 1, 1999 and the House Appropriations' Subcommittee on Regulatory Agencies on Monday, February 15, 1999. Chairman Brummett and Mr. Brodie attended and participated on behalf of the Commission. Three bills have been filed that would amend the License Act: HB 39, HB 1015, and SB 164. Mr. Francis also reported on various bills with real estate related subjects.

Mr. Thorburn reported on meetings concerning possible legislation to license and regulate the mortgage broker industry.

Chairman Brummett moved to agenda item fourteen, discussion and possible action on proposal to limit the number of times an examination may be taken. Mr. Thorburn discussed the proposal to limit the number of times an examination may be taken. Mr. Dudley also offered comments. After discussion by the Commissioners, Mr. Katine, seconded by Ms. Folmer, moved to proceed with the proposal to limit the number of times an examination may be taken as presented by the staff. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item fifteen, discussion and possible action on celebration of the TREC's 50<sup>th</sup> anniversary. Mr. Thorburn commented on the final list of licensees being recognized for being licensed 50 years. Ms. Sutton requested information concerning costs and attendance by staff at the presentations and Mr. Thorburn indicated he would submit a report to the Commission. Mr. Katine, seconded by Ms. Lewis, moved that the TREC honor those individuals who have been licensed for 50 years. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item sixteen, discussion and possible action to adopt a policy regarding use of American Express credit cards for travel. Mr. Thorburn discussed statewide travel charge card policy. Ms. Sutton, seconded by Ms. Lewis, moved to adopt the policy. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item seventeen, discussion and possible action to accredit Sierra Schools, Inc. as a school. Mr. Dudley presented the agenda item. Mr. Katine, seconded by Ms. Lewis, moved to approve the accreditation of Sierra Schools, Inc. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item eighteen, consideration of complaint information. Ms. DeHay, requested authorization to open investigations on the following persons for failure to provide information in connection with their license renewals: Angela Cecile Lee Wright; Bill F. Haltom; Bobby Lee Porterfield; Brett Allen Linville; Donald Woodruff Sneed; Emanuel Ochoa; John H. Lucas; Lisa Ann Vandaveer; Manfred H. Chemek; Maria Carmen Mijares; Melanie Ann Teer; Nancy K. Lynn; Truman Calvin Bradshaw; Xavier Adams, Yava L. Harris. Mr. Katine, seconded by Ms. Sutton, moved to authorize investigations as requested. The motion was adopted by unanimous vote.

Chairman Brummett moved to agenda item nineteen, entry of orders in contested cases. Ms. DeHay stated there were no orders to be entered.

The next regular meeting of the Texas Real Estate Commission will be April 12, 1999. Meetings were tentatively scheduled for June 7, 1999 and August 2, 1999. The Chairman adjourned the meeting at 12:10 p.m.

APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 1999.

\_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_  
Administrator