

MINUTES  
Texas Real Estate Commission  
September 9, 2002  
Conference Room 235, Texas Real Estate Commission  
Austin, Texas

Chairman Michael Brodie called the regularly scheduled meeting of the Texas Real Estate Commission to order at 9:00 a.m., Monday, September 9, 2002. In addition to Chairman Brodie, members present were Kay Sutton, James Austin, Louise Hull, Larry Jokl, Mick Cantu, Paul Jordan, John Walton and Maria Gil.

Staff present were: Wayne Thorburn, Administrator; Sabrina Hassumani, Assistant Administrator; Loretta DeHay, General Counsel; Linda Bayless, Director of Enforcement; Alan Waters, Director of Staff Services; Glen Bridge, Director of Information Services; and Beverly Arnold, Administrative Assistant.

Commissioner John Walton led the attendees in the pledge of allegiance.

Chairman Brodie moved to agenda item two, minutes of the July 22, 2002, Commission meeting. Mr. Walton, seconded by Mr. Austin, moved to approve the minutes as mailed. The motion was adopted by unanimous vote.

Chairman Brodie moved to agenda item three, monthly staff reports; committee reports. Ms. Hassumani, Assistant Administrator, gave a review of the various licensing reports. She noted that the total number of active and inactive licenses at the end of August, 2002, is 121,060. She also noted that during the month of August, 2002, 48% percent of all original salesperson applications were received online. She explained that this percentage is particularly noteworthy since it is currently the highest usage rate in Texas of the Texas Online system.

Ms. Bayless, Director of Enforcement, reported on the Enforcement Division's complaint statistics and administrative actions for the previous month. Ms. Bayless also reported that the Enforcement Division met one of its key performance measures by closing 3,070 cases for the year. Commissioner Walton asked about the total number of cases open and Ms. Bayless indicated that this number would be decreasing over the coming months.

Mr. Bridge, Director of Information Services, reported that TREC is discontinuing the TRECfax, given its low usage and the fact that it is no longer cost effective. He also reported that inspector renewals will be available online by January, 2003.

Mr. Alan Waters, Director of Staff Services, reported that the Legislative Appropriations Request had been completed and stated that Staff Services is currently working on the Annual Financial Report.

Commissioner Jokl read a letter that was received by Mr. Thorburn thanking the Commission for excellent service by the staff in Licensing. The Commission recognized and thanked the three program managers in the Education, Licensing and Communication Division: Gwen Jackson, Michelle Bowens, and Lorie Deanda.

Chairman Brodie moved to agenda item four, general comments from visitors. Rudolph Gutierrez made a statement requesting that TREC provide the public with residential lease forms.

Chairman Brodie moved to agenda item five, discussion and possible action to propose an amendment to 22 TAC §535.2, concerning broker's responsibility. Ms. DeHay presented the item and gave an overview of limited service agreements. Mr. Ronald Walker, General Counsel, Texas Association of Realtors, also gave the Commissioners some history on limited service agreements. Commissioner Sutton, seconded by Mr. Jokl, moved to propose the amendment to 22 TAC §535.2 as presented. The motion was adopted by unanimous vote.

Chairman Brodie moved to agenda item six, discussion and possible action to approve the Chairman's appointment of members to the Education Task Force. Chairman Brodie introduced each member of the Education Task Force: Commissioner Louise Hull, Chair, Charles Kramer, Lance Lacy, Gary Maler, Mary Milford, and Brad York. Mr. Jokl, seconded by Ms. Sutton, moved to approve the Chairman's appointment of members to the Education Task Force. The motion was adopted by unanimous vote.

Chairman Brodie moved to agenda item seven, discussion and possible action to approve annual Internal Audit Report. Rene Gonzales of Gonzales and Associates presented the Internal

Audit Report for discussion. Commissioner Austin, seconded by Ms. Hull, moved to approve the annual Internal Audit Report. The motion was adopted by unanimous vote.

Chairman Brodie moved to agenda item nine, discussion and possible action to approve the Licensing Agreement with the Texas Department of Licensing and Regulation (TDLR) regarding TDLR's use of the Texas Real Estate Licensing Information System software developed by TREC. Mr. Thorburn gave an overview of the Licensing Agreement, and Mr. Bill Kuntz, Executive Director of TDLR, made a presentation regarding the Licensing Agreement. Commissioner Jordan, seconded by Mr. Jokl, moved to approve the Licensing Agreement. The motion was adopted by unanimous vote.

Chairman Brodie moved to agenda item eight, annual review of fees and estimated revenues. Mr. Waters gave an overview of fees and estimated revenues. Ms. Sutton, seconded by Mr. Austin, moved to approve the annual review of fees and estimated revenues. The motion was adopted by unanimous vote.

Chairman Brodie moved to agenda item ten, consideration of complaint information. Ms. Bayless requested authorization for the Enforcement Division to initiate an investigation of the following persons for failing to complete their Mandatory Continuing Education hours and pay the \$200 fee needed to renew a license within the time required by 22 TAC §535.92(f): Cynthia Beaird; Mary Danz; Susan Engle; and Carol Whisenant. Mr. Austin, seconded by Commissioner Gil, moved to authorize the investigations. The motion was adopted by unanimous vote.

Ms. Bayless requested authorization for the Enforcement Division to initiate investigations on the following people for failure to provide information in connection with their license renewals as required by 22 TAC §535.91(a): Douglas Pierre Brown; John Luis Castro; James George Cernosek; John David Curry; Caprice Suzanne Fredericksen; Cecil H. Jacobson; Jonathan M. Leos; David Nguyen; Jerri Cecelia Stone; and Alicia Taravella. Mr. Walton, seconded by Mr. Austin, moved to authorize investigations. The motion was adopted by unanimous vote.

Ms. Bayless requested authorization for the Enforcement Division to initiate an

investigation of Stanwyn Jay Carter for paying a commission to or associating with unlicensed persons in violation of Sections 15(a)(6)(F) and (S) based on information obtained from a related case and on information provided in connection with a late renewal license application. Mr. Jokl, seconded by Mr. Austin, moved to authorize the investigation. The motion was adopted by unanimous vote.

Chairman Brodie moved to agenda item twelve, executive session to discuss pending litigation pursuant to Texas Government Code, §551.071; and, if necessary, to receive legal advice from general counsel on posted agenda items under Texas Government Code, §551.071. The executive session began at 9:42 a.m. The executive session ended and the open meeting resumed at 9:50 a.m.

Chairman Brodie moved to agenda item thirteen, discussion and possible action to authorize payments from recovery funds or other action on items considered in executive session. Ms. DeHay presented the following claim to be paid without contest:

IRF02-001, Steven Florendine v. Russell Sikes, in the amount of \$4,300 in actual damages and \$4,600 in attorney fees. Mr. Austin, seconded by Mr. Walton, moved to approve payment. The motion was adopted by unanimous vote.

Chairman Brodie adjourned the meeting at 9:56 a.m.

APPROVED this the 4<sup>th</sup> day of November A.D. 2002.

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C. Michael Brodie  
Chairman

ATTEST: \_\_\_\_\_  
Wayne Thorburn  
Administrator