



# TREC Advisor

*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.*

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## ***Broker Business Entities: Don't Forget to Submit Proof of Ownership!***

Proof of ownership for broker business entity applications and renewals is required by the Commission. 10% ownership has been required since September 1, 2011. What does this mean for you?

Listed below is information that is needed to complete the renewal application.

- Ownership documents verifying that the Designated Officer owns at least 10% of the business entity.
- If the designated broker does not own at least 10% of the entity, submit a Certificate of Insurance for a Broker Business Entity renewal showing E&O insurance with a minimum annual limit of \$1 million per occurrence (TREC Form BE COI-1).

If the designated broker owns 10% or more of the entity, examples of acceptable proof of ownership documents are as follows but are not limited to:

- Minutes of the company meeting designating ownership percentages

- A Company Resolution indicating the percentage owned by the designated officer/manager/partner
- Articles of Organization/Incorporation that include ownership percentages
- Schedule K-1 (Form 1120S) from the IRS (Shareholder's share of income, deductions, credits, etc.)
- Schedule C (Form 1040) from the IRS
- Limited Partnership Agreement designating ownership percentages

You must submit the requested documents prior to the expiration date of your license. Should the license expire, all salespersons sponsored by the broker will become inactive. You will need to pay an additional fee to renew the license up to six months after the expiration date and a fee to reinstate each sponsored salesperson once the license is renewed.

For questions about this process or any other questions please email us at [information@trec.texas.gov](mailto:information@trec.texas.gov) or call us at 512-936-3000.

## From the Chair...

The Commission met on February 11<sup>th</sup> for its regular quarterly meeting in Austin. The February meeting each year requires election of officers and appointment of Commission committees. I am pleased to report that Commissioner Bill Jones was elected as the Vice-Chair and Commissioner Joanne Justice was elected as Secretary. Thanks to them for being willing to serve in these important positions of responsibility. Staff updated the Commission on ongoing agency operations, improvements in technology matters and introduced new staff members. In addition to routine budget, Recovery Fund cases and disciplinary matters presented for approval, several major items were considered and acted upon by the Commission at this meeting.

We heard reports from our two primary advisory committees, the Inspector Committee (TREIC) and the Education Standards committee (ESAC). Both have met and achieved much since our last meeting.

The Commission heard significant testimony with respect to the pending proposed update to the Standards of Practice and inspection report form recommended by the Inspector Committee. This major proposal has been under review and revision for over 18 months and has gone through several drafts and significant discussion. After testimony, the commission withdrew and re-proposed the matter with several changes. Now is the time for inspectors, consumers and other realty professionals to weigh in with their comments. Send your input via email to [generalcounsel@trec.texas.gov](mailto:generalcounsel@trec.texas.gov).

Beginning with "Principles of Real Estate", ESAC has begun its detailed review of curriculum guidelines, course delivery methods and instructor qualification matters. Over the next two years, we expect to see a steady stream of well-considered recommendations from this talented group of educators, brokers and attorneys to improve licensee education.

We announced the appointment of Brad Phillips and Lee Warren as TREIC industry members and extended the service of the screening committee to consider additional candidates for public member openings scheduled to be filled in May 2013. We encourage any interested parties to make their interest known. See the announcement in this newsletter for more details.



*Avis Wukasch, Chair*

The Commission also adopted updated policies on budgeting and investments, and a new proposed "Compact with Texans", the agency's commitment to customer service principles. Most notably, we approved a new method for publishing the 'minutes' of our meetings, with an agenda action summary combined with a "bookmarked" videotape. This unique combination will allow anyone to read the summary result of each agenda item and with a simple mouse-click also view the exact section of the video tape where the consideration of that agenda item commences. We are very enthusiastic about this enhancement of efficiency, effectiveness and transparency. It should be up on our website in the next two weeks. Try it and let us know what you think.

Our next regularly scheduled meeting is on Monday May 6<sup>th</sup> at 10 am. If you can, please feel free to stop by and meet the Commissioners and staff. We are happy to welcome you.

## What is the Standards & Enforcement Services Division?

The Texas Real Estate Commission's Standards & Enforcement Services Division ensures that consumers are protected by providing firm, fair, and consistent enforcement of The Real Estate License Act, the Texas Timeshare Act, the Residential Service Company Act, and Chapter 1102 of the Texas Occupations Code relating to real estate inspectors. The division is managed by a director and a deputy director who, along with three Team Leaders (attorneys), supervise four additional attorneys, a program supervisor, seven legal assistants, and three administrative assistants. There is also a chief investigator and seven additional investigators.

### Enforcement - Complaints

The division receives signed written complaints concerning alleged violations of the law and rules. In fiscal year 2012, the division received 1,452 complaints from the public and closed 1,578 complaints after review and resolution. While most complaints relate to the purchase or lease of a home, they may include other matters ranging from misleading advertising to unlicensed activity. These totals also include complaints against inspectors, timeshare developers, and residential service companies. A very small number involve real estate or inspection education providers and easement or right-of-way (ERW) agents.

Some complaints are closed with no action taken because of a lack of jurisdiction or insufficient evidence. When a decision is made to pursue formal action, the licensee is notified of the alleged violation and, if an agreed resolution such as an agreed order cannot be reached, a hearing is set with the State Office of Administrative Hearings, where a hearing is conducted according to the Administrative Procedures Act.

### Standards – License Applications and Moral Character Determinations

The division also reviews license applications as well as requests for moral character determination to assess the honesty, trustworthiness, and integrity of applicants. In fiscal year 2012, the division opened a file to look into 683 applications and moral character determinations.

### Talk to Us

Division staff also answer consumer and licensee inquiries received by phone and email concerning the division's procedures, the rules, and the various statutes and acts listed above. Calls to the division are normally returned within four hours and emails within one business day.

## Who Pays when using TREC's Relationship Management Tool?

Did you know that the relationship management tool has been up and running since last October? Did you know that this tool allows our license holders to manage their sponsor relationships online quickly and easily? Did you know that whoever sends the request for sponsorship is the party who pays?

TREC's tool allows both brokers and sales people to go online and initiate sponsorship requests.

TREC also only charges the party who initiates the request. It is always up to you to decide who pays, but know this, it is always faster and less expensive to do it online than the traditional paper application!

For questions about how to utilize our online services, contact us at [information@trec.texas.gov](mailto:information@trec.texas.gov)



## **Leah Alexander**

Was hired as an Attorney in the TREC Standards and Enforcement division beginning January 1, 2013. Leah moved to Austin in July with her husband and four children. Before taking time to raise her children, Leah was in private practice in Ann Arbor, Michigan.



## **Roy Minton**

joined TREC on March 1, 2013 as an Investigator in the Standards and Enforcement Division. Roy comes to us from the Texas Workforce Commission where he investigated employment and housing complaints for almost five years. He is the nephew of the longtime Austin attorney Roy Q. Minton. Roy lives in southwest Austin with his wife of seventeen years, Dawn, and their son Ryan, age 13.

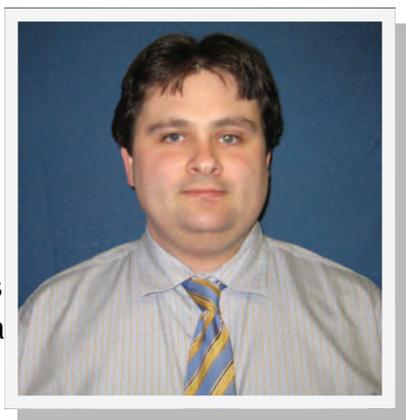


## **Shelly Finleon**

joined TREC on January 2, 2013 as a Communication Specialist. Prior to joining TREC she worked in the Sears Executive Offices as a Customer Service Advocate handling escalated calls & providing case management for critical customers. Shelly brings with her 18 years of real estate experience as a previously licensed REALTOR, ABR, CRS. Commissioned as a Stephen Minister, Shelly enjoys helping those in need, & is presently looking for a dog to train as a "Servicing Dog" to visit children at Dell's Children's Hospital & the Elderly.

## **Congratulations to Troy Beaulieu**

Troy has been named Employee of the Quarter! Troy serves as Managing Attorney with the Texas Appraiser Licensing and Certification Board. Mr. Beaulieu went above and beyond while acting as director when Mark Mrnak (TALCB Enforcement Director) was out on military leave. He has worked at the Board since 2005 and is always working hard on his cases, and improving the boards case load. He is a graduate of Baylor Law School and obtained his undergraduate degree from Boston College.



Cheers to you, Mr. Beaulieu! Thank you for all that you do!

## Adopted Rules from the November 5, 2012 Meeting of the Commission Meeting

### ADOPTED RULES

3/6/13

#### **Chapter 533, Practice and Procedure**

##### §533.3 Filing and Notice

The amendments are adopted without changes to the proposed text. The amendment changes the address to TREC's current address and removes the limitation on the number of pages that can be faxed to the commission. No comments were received on the rule. *effective date: 3/6/13*

#### **Chapter 535, General Provisions**

##### **Subchapter A. Definitions**

##### 22 TAC §535.1 Definitions

The amendments are adopted without changes to the proposed text. The amendment changes the definition of the acronym "SAE" from "Salesperson Annual Education" to "Salesperson Apprentice Education". No comments were received on the rule. *effective date: 3/6/13*

##### **Subchapter F. Pre-License Education and Examination**

##### 22 TAC §535.64. Obtaining Approval to Offer a Course

The amendments are without changes to the proposed text. The amendment extends the effective date for expiration of existing courses approved before the effective date of the previous revision to December 31, 2014 because the Education Standards Advisory Committee has not yet reviewed the curriculum for such courses. No comments were received on the rule. *effective date: 3/6/13*

##### **S. Residential Rental Locators**

##### 22 TAC §535.300. Advertising by Residential Rental Locators

The amendments are amendment without changes to the proposed text. The amendment updates the phone numbers of the Commission and the Standards and Enforcement Services Division that are listed in the required notice in publications where residential rental locators place advertisements. No comments were received on the rule. *effective date: 3/6/13*

#### **Chapter 539 Rules Relating to the Residential Service Company Act**

##### **Subchapter D. Definitions**

##### 22 TAC §539.31. Residential Service Contract.

The amendments are without changes to the proposed text. The amendment defines Chapter 1303 of the Occupations Code as the Act. No comments were received on the rule. *effective date:*

#### **Subchapter G.**

##### **Applications And Maintenance Of License**

##### 22 TAC §539.61, Application and Licensing; §539.62, Application to Approve Evidence of Coverage/ Schedule of Charges; §539.63, Termination of Application; §539.64, Mailing Address and Other Contact Information; §539.65, Change in Company Ownership or Officers and §539.66, Change in Operation.

The amendments to §539.61 and new §§539.62 - 539.66. Section 539.61 is adopted without changes to the proposed text but with changes to the adopted by reference Form No. RSC 1-3. Sections 539.62, 539.63, and 539.66 are adopted with changes to the proposed text. Section 539.64 and §539.65 are adopted without changes. The differences between the rules and forms as proposed are as follows:

New §539.62(a) is moved from §539.71(2) as it fits more appropriately with the other subsections in §539.62;

§539.63 is streamlined by removing redundant references to various rules;

§539.66 is amended to change a typographical error in the reference to §1303.352(a)(7) of the Act;

Form No. RSC 1-3 is revised for clarity and to remove typographical errors.

The following is a summary of amendments to the rules as adopted:

- The amendment to §539.61, Application for Residential Service Company License, changes the title and deletes subsection (c) because it is moved to new §539.63.
- New §539.62, Application to Approve Evidence of Coverage/ Schedule of Charges, adopts the form by reference and requires that each approved evidence of coverage must include a form number and approval date, and requires that a company obtain the commission's prior approval before offering discounts or other change in any amount to be charged a consumer.
- New §539.63, Termination of Application, authorizes the commission to terminate an application if the applicant fails to respond within 90 days after the commission notifies the applicant to provide additional information.
- New 539.64, Mailing Address and Other Contact Information, requires companies to provide a mailing address, telephone number and email address to the commission, report subsequent changes to such information within 10 days after a change, and deems the last known mailing address provided to the commission to be the

## Adopted Rules Cont'd...

address of the company if it fails to update the information.

- New §539.65, Change in Company Ownership or Officers, requires a company to report changes in its ownership or officers to the commission on a new form adopted by reference.
- New §539.66 is corrected to change a typographical error in the reference to §1303.352 (a)(7) of the Act. New §539.66, Change in Operation, requires a residential service company to notify the commission within 30 days if the company wishes to begin issuing and administering contracts in affiliation with another company and requires a company to provide additional information regarding the relationship between the company and the affiliate.
- No comments were received on the rule as proposed. *effective date: 3/6/13*

### H. Miscellaneous Forms

#### 22 TAC §539.71. Miscellaneous Forms

The amendments are adopted with changes to the proposed text. The difference from the rule as proposed is that §539.71(2) is moved to new §539.62(a), as it fits more appropriately with the other subsections in §539.62 and the adopted amendment to §539.71 amends Form RSC 8-0 adopted by reference to correct typographical errors in the form.

No comments were received on the rule as proposed. *effective date: 3/6/13*

### I. Financial Assurances

#### 22 TAC §539.81. Funded Reserves and §539.82. Security.

The amendments to §539.81 and new §539.82 are adopted without changes to the proposed text. The subchapter title is changed to "Financial Assurances" from "Funded Reserves" to more accurately reflect the contents of the subchapter.

The amendment to §539.81, Funded Reserves, enables the commission to accept, with prior authorization, other types of assets, such as government backed instruments, as funded

reserves; requires companies to complete monthly reconciliations to prove that the company meets the minimum funded reserve requirements of the Act and increase the funded reserve as required.

New §539.82, Security, requires each company to confirm by February 1 of each year that the security required by §1303.154(b) of the Act is sufficient or increase the amount to meet the minimum required. No comments were received on the rules as proposed. *effective date: 3/6/1*

### J. Annual Report

#### 22 TAC §539.91. Annual Report.

The amendment is adopted without changes to the proposed text. The amendment adopts by reference a revised annual report form and requires companies to file an Annual Report by February 1 of each year for the preceding calendar year.

No comments were received on the rule as proposed. *effective date: 3/6/1*

### N. Mid-Year Report .

#### 22 TAC §539.137. Mid-Year Report .

The amendments are adopted without changes to the proposed text. The amendment adopts by reference amendments to the Mid-Year Report Form and changes the filing date from August 15 to August 1.

No comments were received on the rule as proposed. *effective date: 3/6/13*

### Subchapter Q. Issues Affecting Consumers.

#### 22 TAC §539.160. Copy of Residential Service Company Contract and §539.161. Advertising.

The new subchapter and rules are adopted without changes to the proposed text.

New §539.160, Copy of Residential Service Company Contract, requires companies to provide a contract holder a copy of a residential service contract within 15 days after payment is made or the residential service contract becomes effective, whichever is sooner.

New §539.161, Advertising, subjects companies to disciplinary action if they use a side-by-side comparison in advertising if the contracts being compared are not substantially the same.

No comments were received on the rule as proposed. *effective date: 3/6/1*

### Subchapter X. Fees.

#### 22 TAC §539.231. Fees .

The amendment is adopted without changes to the proposed text. The amendments clarify that the filing fees for an application to approve an evidence of coverage and schedule of charges also applies to changes to an approved evidence of coverage and schedule of charges.

No comments were received on the rule as proposed. *effective date: 3/6/1*

## Important Dates to Remember

Education Standards Advisory Committee Meeting—April 10

TREC Commission Meeting—May 6

## *Rule Actions proposed at the February 11, 2013, Meeting of the Commission*

### **PROPOSED RULES**

#### **Chapter 535, General Provisions**

##### **Subchapter G. Mandatory Continuing Education**

###### 22 TAC §535.75 Education Standards Advisory Committee

The amendment changes the expiration date for the term of appointments to the committee and expands the term officers serve to two years .

##### **Subchapter N. Suspension and Revocation of Licensure**

###### 22 TAC §535.144. When Acquiring or Disposing of Own Property or Property of Spouse, Parent or Child

The amendment streamlines the rule for clarity and provides a definition of "license holder" for purposes of the rule. The definition of "license holder" in the amendment includes the license holder's spouse, a business entity in which the licensee is more than a 10% owner (in the existing rule) and a trust of which the licensee is the trustee or of which the licensee or the licensee's spouse, parent or child is a beneficiary .

##### **Subchapter R. Real Estate Inspectors .**

###### 22 TAC §§535.206. The Texas Real Estate Inspector Committee

The amendment reduces the term served by public members of the committee from six years to two years. There are no term limits in the rule as proposed, so members could serve for additional terms if reappointed by the Commission.

###### 22 TAC §535.223. Standard Inspection Report Form

TREC previously proposed amendments to this rule in November 2012, but withdrew them on February 12, 2013. The amendments track revisions to the inspector standards of practice that are re-proposed under a separate rule. (See §§535.227-535.233). The amendments also clarify how the form is to be used and in what ways an inspector may modify the form. The amendments provide an exemption for inspectors performing single component systems inspection, adopt by reference a new inspection

form and remove the requirements for the two current forms.

###### 22 TAC 535.227-§535.233. Standards of Practice. (REPEAL).

TREC previously proposed the repeal of the Standards of Practice in November 2012, but withdrew the repeal on February 12, 2013. The repeal of the sections is re-proposed because the subjects addressed in these sections will be covered in new §§535.227-535.233 being simultaneously re-proposing as part of the Real Estate Inspector Committee comprehensive review and recommendations regarding inspector standards of practice.

###### 22 TAC §535.227-§535.233. Standards of Practice. (NEW)

TREC previously proposed the rules regarding Inspector Standards of Practice (Standards) in November 2012, but withdrew them on February 12, 2013. The new Standards are re-proposed following revisions made in response to comments received after the previous publication. The proposed rules make several non-substantive changes to the Standards by making them easier to read and providing a clearer understanding of what an inspector is and is not required to inspect and report. In addition, the rules make several substantive changes to the Standards to encourage a more performance based approach to real estate inspections. The new rules are proposed following a comprehensive review of the Standards by the Texas Real Estate Inspector Committee, an advisory committee of six professional inspectors and three public members appointed by TREC. Both the substantive and non-substantive revisions are recommended by the Committee. A detailed explanation of the revisions is provided in the [preamble](#) to the proposed rules.

<p>Case#: <b>120827</b> MORGAN, JANET ELAINE (license # 554187) Real Estate Broker / Salesperson-I BACLIFF(GALVESTON)</p> <p>Effective Date: 12/1/2012</p> <table border="1"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(b)(01)</td></tr> <tr><td>1101.652(b)(05)</td></tr> </table>	Violation(s)	1101.652(b)(01)	1101.652(b)(05)	<p>Agreed surrender of salesperson license and not renew or attempt to renew her salesperson license for 5 years from December 1, 2012. Agreed not to obtain any license or certificate issued by the Commission for 5 years from December 1, 2012.</p>	<p>Consumer Complaint Respondent acted negligently by failing to rebate any portion of the real estate commission to the client per a signed agreement. Respondent made a false promise of a commission rebate that she was unable or did not intend to keep.</p>
Violation(s)					
1101.652(b)(01)					
1101.652(b)(05)					
<p>Case#: <b>101682</b> REYES, LIZA ANN (license # 359279) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR)</p> <p>Effective Date: 12/3/2012</p> <table border="1"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(b)(01)</td></tr> </table>	Violation(s)	1101.652(b)(01)	<p>Agreed reprimand of broker license. Agreed completion of 30 classroom hours in a Property Management course on or before January 31, 2013.</p>	<p>Consumer Complaint Respondent acted negligently in her supervision of a salesperson, who was responsible for the day-to-day management of a property. In the course of the salesperson's management of the property, an accounting was greatly delinquent, unauthorized and incorrect fees were assessed, and the property was vacant for over six months during which time unattended-to-repairs led to greater damage.</p>	
Violation(s)					
1101.652(b)(01)					
<p>Case#: <b>101682</b> RADULSKI, REGINA ANN (license # 517912) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR)</p> <p>Effective Date: 12/3/2012</p> <table border="1"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(b)(01)</td></tr> </table>	Violation(s)	1101.652(b)(01)	<p>Agreed reprimand of salesperson license. Agreed completion of 30 classroom hours in a Property Management course on or before January 31, 2013.</p>	<p>Consumer Complaint Respondent acted negligently in performing her duties as a property manager. She was responsible for the day-to-day management of a property. In the course of her management of the property, an accounting was greatly delinquent, unauthorized and incorrect fees were assessed, and the property was vacant for over six months during which time unattended-to-repairs led to greater damage.</p>	
Violation(s)					
1101.652(b)(01)					
<p>Case#: <b>121717</b> TRAN, LYNN CHAU  (license # 546982) Real Estate Broker / Salesperson-I LEAGUE CITY(GALVESTON)</p> <p>Effective Date: 12/21/2012</p> <table border="1"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(a)(01)</td></tr> <tr><td>1101.652(a)(06)</td></tr> </table>	Violation(s)	1101.652(a)(01)	1101.652(a)(06)	<p>Agreed surrender of salesperson license and to not renew or attempt to renew her real estate salesperson license for 6 years from December 21, 2012. Agreed to not file an application to obtain a license or certificate issued by the Commission for 6 years from December 21, 2012.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense. Respondent failed to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint to the Commission.</p>
Violation(s)					
1101.652(a)(01)					
1101.652(a)(06)					

<p>Case#: <b>130011</b> MYERS, CHERYL LYNN</p> <p>(license # 451408) Real Estate Broker / Salesperson-I ROUND ROCK(WILLIAMSON)</p> <p>Effective Date: 12/28/2012</p> <table border="1" data-bbox="110 472 342 569"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	<p>Agreed 5 year suspension of salesperson license, fully probated for 5 years.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense.</p>	
Violation(s)					
1101.652(a)(01)					
<p>Case#: <b>121917</b> OLIVER, REGINA (license # 587582) Real Estate Broker / Salesperson-I FULTON(ARANSAS)</p> <p>Effective Date: 12/1/2012</p> <table border="1" data-bbox="110 840 342 982"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> <tr> <td>1101.652(a)(09)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	1101.652(a)(09)	<p>Agreed 1 year suspension of salesperson license fully probated for 1 year. Agreed administrative penalty of \$1,500.00.</p>	<p>Administrative Complaint Respondent pled no contest to a felony offense. Respondent failed to notify the Commission within 30 days after entry of the plea.</p>
Violation(s)					
1101.652(a)(01)					
1101.652(a)(09)					
<p>Case#: <b>130209</b> DORSEY, ROBERT</p> <p>(license # 625060) Real Estate Broker / Salesperson-I SAN MARCOS(HAYS)</p> <p>Effective Date: 12/17/2012</p>	<p>Agreed probationary salesperson license issued until June 12, 2017, or the end of the time he is required to comply with his registration requirements.</p>	<p>Applications Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ.</p>			
<p>Case#: <b>122088</b> BROUSSARD, QUINTON JAMES</p> <p>(license # 625022) Real Estate Broker / Salesperson-I MCKINNEY(COLLIN)</p> <p>Effective Date: 12/17/2012</p>	<p>Agreed 2 year probationary salesperson license issued.</p>	<p>Applications Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, 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).</p>			

# TALCB Bulletin



*TALCB was created by an act of the Texas Legislature in 1991 to license, certify and regulate real estate appraisers in Texas under state and federal laws. In 2011, TALCB's jurisdiction was expanded to register and regulate appraisal management companies.*

***Inside this issue: New TALCB Appointments Announced (Page 1) From the Chair (Page 2) How to Ensure You Comply and Stay in Compliance (Page 3) TALCB Enforcement (Page 6)***

## ***Governor Perry appointed one new member and reappointed three members to the Board***

The Texas Appraiser Licensing & Certification Board (TALCB) is pleased to announce the reappointment of Walker Beard and Jamie Wickliffe as appraiser members of the board. Perry reappointed public member Sheryl Swift and appointed Clayton Black as a public member. All four were appointed with terms set to expire January 2015.

Walker Beard of El Paso is a licensed real estate broker and appraiser, and partner at Wilkinson, Pendergras and Beard LP. Mr. Beard is currently serving as a board member and is a past president of the Rio Grande Chapter Appraisal Institute, and a member of the Foundation Appraisers Coalition of Texas. Beard is president of the Certified Commercial Investment Member Institute Greater El Paso Chapter. Beard received a bachelor's degree and teaching accreditation from California Polytechnic State University.

Sheryl Swift of Galveston is a Registered Texas Assessor Collector and is the Chief Deputy of Operations with the Galveston County Tax Office. She is a member of the Tax Assessor and Collector Association and Texas Association of Assessing Officers, and a past member of the International Association of Assessing Officer.

Jamie Wickliffe of Midlothian is a licensed real estate broker and appraiser, and owner of J. S. Wickliffe and Co. She is also an associate with

Century 21 Judge Fite Company, former mayor pro tem of Midlothian, and a member of the Midlothian City Council. She is a member of the National Association of Independent Fee Appraisers, North Texas Commercial Real Estate Brokers Association and National, Texas and Ellis Hill associations of Realtors. Wickliffe received an associate degree from Cedar Valley College.

Clayton Black of Stanton is owner and manager of Lazy Leven Ranch. He is a past member of the American Society of Civil Engineers, National Concrete and Masonry Association, Texas Society of Professional Engineers, and Lubbock's Structural Standards Commission. He is also a past member of the Midland and Lubbock chambers of commerce. Black received a bachelor's degree and master's degree in environmental technology management from Texas Tech University.

The Texas Appraiser Licensing and Certification Board strives to protect the public through the agency's programs of education, licensing and regulation to ensure that real estate appraisers and appraisal service providers are competent and trustworthy. More information on the Board and its programs can be found at [www.talcb.texas.gov](http://www.talcb.texas.gov). The Governor's announcement can be found at [governor.state.tx.us/news](http://governor.state.tx.us/news).

## *From the Chair ...*

The Board met on February 15<sup>th</sup> in Austin for its regular quarterly meeting which was very busy and productive. As is our requirement each year, the February meeting saw the election of officers. I am humbled to have been selected as the new Chair and look forward to leading this great group of dedicated professionals for the next year. I am also pleased to announce that Jamie Wickliffe was elected as the Vice-Chair and Laurie Fontana as the Secretary. Thanks to them for their willingness to serve in these responsible roles; their dedication is impressive.

At the meeting I also appointed committees to focus on budget, education and enforcement matters, helping to spread the work of the Board and make it more responsive and efficient in investigating and narrowing issues to the point of proposed policy recommendations. This distribution assists the Board in ensuring our regular quarterly meetings are most productive. We also appointed members to the Peer Investigative Committees and as Mentors to support our targeted individual education agreements with respondents. Thanks to all who agreed to serve in these capacities; you do make us more effective.

The Commissioner also reported on agency events and developments since our November meeting and staff provided routine progress reports on communications, technology, licensing, education and enforcement matters. We continue to make advances on all matters of concern to the Board. The Enforcement Committee also reported another series of very productive meetings with staff to review current enforcement policies and procedures and continue to make recommendations for improvements. At the meeting, we adopted several of those well-considered

recommendations. Many thanks are due to both members and staff for their continued hard work on these important matters. We look forward to continuing progress from the work of the Committee and staff.



*Walker Beard*

The Board also approved the policy recommendations and a proposed disclosure rule connected to the performance of Uniform & Equal studies by appraisers. We further approved a series of policy recommendations for improving our budgeting process, investment guidance, and a “Compact with Texans”, our customer service policies. Lastly, we approved a new method for documenting the official minutes of our meetings that will include a summary of agenda actions linked to a bookmarked videotape of the meeting. This new level of service to the public is a real step forward in transparency and efficiency for this agency. We appreciate the foresight and hard work of staff to bring it to fruition. Look for it on our website within the next two weeks and give us your comments on its functionality.

The Governor has appointed rancher Clayton Black of Stanton to fill a public member seat on the Board succeeding Donna Walz of Lubbock who served so faithfully for a full 6 year term. We will miss her. We warmly welcome Mr. Black to serve with us in fulfilling our mission of consumer protection for Texans.

## *Moving Forward From Complaint Resolution Requiring Remedial Measures or Disciplinary Sanctions: How to Ensure You Comply and Stay in Compliance*

If you received a complaint against you, it will be resolved in one of several ways: (1) dismissal, (2) dismissal with warning letter, (3) contingent dismissal with requirements for remedial measures, (4) agreed discipline, (5) voluntary surrender of license, (6) a default judgment, or (7) a contested administrative case hearing. If your complaint resolution results in contingent dismissal, there will be remedial measures you must complete *before* your complaint will be dismissed with a warning letter. If your complaint results in agreed discipline or a contested case hearing, there will be a final order which will be approved by the Board. In either case, there will likely be terms and conditions you must comply with.

Having your complaint resolved is just the first step in addressing the issues discovered through the complaint resolution process. The next step is to ensure you timely complete all required remedial measures and disciplinary sanctions. Failure to do so could result in administrative penalties, above and beyond those you may already be responsible for, and result in your license being suspended or revoked. Non-compliance is a burdensome demand on the Board's resources and may even result in further disciplinary action. So, please read these useful tips and help us, help you stay out of trouble:

**Mentorship:** Mentorship is a useful remedial measure and is often involved in contingent dismissals and agreed discipline. If you are required to complete mentorship, please ensure you:

- calendar all deadlines.
- do *not* schedule your mentorship last minute.
- call TALCB Staff with any questions or concerns about the mentorship process.

- contact the Board approved mentor you choose well before the deadline.
- take notes from your mentorship meeting.
- have your mentor fill out the certificate of completion.
- ensure TALCB Staff receives your mentorship certificate of completion.

**Experience Logs:** Experience logs are a way to ensure you have learned from the required courses and/or mentorship, which would be required to address issues noted through the complaint resolution process. If you are required to submit experience logs, please ensure you:

- calendar all deadlines.
- do *not* fill out the experience log last minute, get it done early.
- have the affidavit notarized.
- send your experience log via email, fax, or mail. New agreed orders will specifically identify how you are to remit your experience logs and other proof of compliance.
- ensure TALCB Staff receives your experience logs.
- timely comply with random audits.

**Remedial Courses:** Remedial courses are educational in nature and will relate to issues noted in the complaint findings. If you are required to complete remedial courses, please ensure you:

- calendar all deadlines.
- do *not* schedule your remedial courses last minute.
- make sure the class meets minimum hour requirements.

## *How to Ensure You Comply and Stay in Compliance, Cont'd...*

- pass any and all required exams.
- note that the remedial course hours do not count towards your ACE requirements.
- send course completion evidence via email, fax, or mail. New agreed orders will specifically identify how you are to remit your experience logs and other proof of compliance.
- ensure TALCB Staff receives your course completion evidence.
- Are you on some form of probation? If so, non-compliance could cause you to be suspended from practicing or even result in revocation of your license.
- Are there administrative penalties that were probated (i.e., you didn't have to pay them so long as you complied)? If so, non-compliance could cost you more money.
- Are there additional penalties imposed for failure to comply? If so, you could have additional monetary penalties imposed due to non-compliance.

**Administrative Penalty:** Administrative penalties are disciplinary in nature. If you are required to pay an administrative penalty, please ensure you:

- calendar all deadlines.
- send payment via mail or hand deliver by certified funds.
- confirm TALCB Staff receives your payment for processing.

**Prohibition against Sponsoring Trainees:** If you are prohibited from sponsoring trainees, whether for the entire disciplinary compliance term or for a shorter period, please refrain from doing so. Additionally, if you have trainees already on staff, they will be required to obtain new sponsorship.

**Temporary Suspension from Practice:** If you are temporarily suspended from appraisal practice, whether for the entire disciplinary compliance term or for a shorter period, you are ineligible to perform real property appraisals or appraisal related activities. Failure to abide by this requirement could result in the filing of a new complaint against you for practicing without a license, an infraction for which your license could be revoked.

**Consequences of Non-Compliance can be Dire:** If you fail to comply with the terms required, some of the possible consequences may occur as follows:

- If there is not a form of probation included, and you received an agreed order, then not timely complying with any of the terms which have a specific due date will result in the temporary suspension of your license until you are in full compliance and pay an additional administrative penalty of \$1,000.

**Modification of Agreed Orders:** If you received an agreed order, you may request a modification to the order. However, you must do so before the expiration of your time for compliance. The Board meets on a quarterly basis, so consider the Board's meeting schedule along with your deadline for compliance when considering requesting a modification. To request a modification, you must be able to show justification for the modification and you must be placed on the Board's meeting agenda as an item for discussion. TALCB Staff will consider your reasons for requesting a modification and will make a recommendation to the Board on whether or not the Board should grant a modification.

**Bottom line:** take compliance seriously, as it was designed to address your appraisal issues - and because the Board takes your compliance seriously. Read the terms for compliance and understand them. Note your due dates for compliance and **TIMELY** comply with them!

## ***RULE AND FORM ACTIONS FROM THE FEBRUARY 15<sup>TH</sup> MEETING OF THE BOARD***

### **ADOPTED RULES**

The adopted rules will be effective March 14, 2013 and can be found on our website at <http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp>.

**22 TAC §155.2, Work Relating to Property Tax Protests:** The new rule was adopted to clarify when the Uniform Standards of Professional Appraisal Practice (USPAP) apply to work prepared by TALCB licensees for the purposes of a property tax protest and requires the use of the disclosure set out in the rule by TALCB licensees that are dually licensed or certified as property tax consultants, whenever they perform work for the purposes of a property tax protest under their authority as a property tax consultant.

**22 TAC §157.10, Right to Counsel, Right to Participate:** Amendments were adopted to clarify that both parties will be responsible for the cost of hearing transcripts when ordered by an Administrative Law Judge.

### **PROPOSED RULES**

Proposed rules will be up for adoption at the May 17, 2013 meeting of the Board. The proposed rules can be found on our website at <http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp>. Comments on proposed rules should be sent to [general.counsel@talcb.texas.gov](mailto:general.counsel@talcb.texas.gov) on or before April 8, 2013.

**22 TAC §153.24, Complaint Processing:** Amendments are proposed to clarify that receipt of a complaint intake form by TALCB does not constitute the filing of a formal complaint against the individual named on the complaint intake form, to clarify all of the information that a respondent must provide to TALCB following

notification of receipt of a complaint intake form, to establish a timeframe for completion of a preliminary review to determine if a violation occurred, to set out the criteria and procedure for the filing of a formal complaint by TALCB, to more clearly set out levels of discipline and the mitigating and aggravating factors to be considered when assessing sanctions and to more clearly define penalty parameters at each level.

**22 TAC §153.21, Appraiser Trainees and Sponsors:** Amendments are proposed to require disclosure by sponsors of any disciplinary action taken against them in the past three years and to bring the rules into compliance with the *Real Property Appraiser Qualification Criteria (Criteria)* set out by The Appraiser Qualifications Board of The Appraisal Foundation. The *Criteria* states that Supervisory Appraisers shall be in "good standing" for a period of at least three years.

### **NEW/REVISED FORMS – effective February 15, 2013**

**Certification of License History (LHR-3):** This form was revised to make it easier to understand and use.

### ***Important Dates to Remember***

TALCB Enforcement Committee Meeting—  
April 18

AMC Advisory Committee Meeting—  
April 18

TALCB Board Meeting—May 17

Name and Location	Order	Basis For Order		
<p>Complaint No.: 10-379 STODGHILL, Ruth Launa Lic. # TX-1322509-G - Effective Date: 5:00 p.m., February 15th, 2013</p>	<p>Respondent's Texas appraiser certification be suspended for a period of 12 months, effective 5:00 p.m., February 15th, 2013. IT IS FURTHER ORDERED that beginning at 5:00 p.m., February 15th, 2013, the suspension is to be fully probated for 12 months ending February 15th, 2014, subject to the following terms and conditions:</p> <p>(1) EDUCATION. On or before August 15th, 2013. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board:</p> <p style="margin-left: 20px;">(A) On or before August 15th, 2013, complete a minimum fifteen (7) classroom-hour course in Valuation by Comparison;</p> <p style="margin-left: 20px;">(B) In lieu of completing the education noted above, Respondent may elect to complete an additional 5 hours of mentorship on market data analysis and the sales comparison approach in the manner described below under the "mentorship" heading.</p> <p>(2) MENTORSHIP. On or before May 15th, 2013. Respondent shall complete seven (7) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board Staff in accordance with the schedule and topics set out below:</p> <p style="margin-left: 20px;">(A) On or before May 15th, 2013, complete seven (7) hours of mentorship with a focus on the sales comparison approach, prior sales history and listing history analysis, and cost approach, including lot value and cost of improvements analysis and determination.</p> <p>(3) LOGS. On or before December 15th, 2013, Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board for the period of August 15th, 2013 to November 15th, 2013. .</p>	<p>The complaint alleged that the Respondent produced appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr style="background-color: #003366; color: white;"> <th style="text-align: center;">Violation(s)</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">                     Provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3).                      22 TEX. ADMIN. CODE § 153.20(a)(9) by making material misrepresentations omitting material facts.                 </td> </tr> </tbody> </table>	Violation(s)	Provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3). 22 TEX. ADMIN. CODE § 153.20(a)(9) by making material misrepresentations omitting material facts.
Violation(s)				
Provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3). 22 TEX. ADMIN. CODE § 153.20(a)(9) by making material misrepresentations omitting material facts.				
<p>Complaint No.: 12-296 PARTIN, James Elmer III Lic. # TX-UNLICENSED-00 Abilene Lic. Effective Date: March 7, 2013</p>	<p>(1) CEASE AND DESIST. Respondent shall cease and desist from all unlicensed appraisal activities.</p> <p>(2) ADMINISTRATIVE PENALTY. Respondent shall pay to the Board an administrative penalty of one thousand five hundred dollars (\$1,500.00), by certified funds, within twenty (20) days of the effective date of this order (i.e. on or before March 7, 2013)</p>	<p>The complaint alleged that the Respondent produced appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr style="background-color: #003366; color: white;"> <th style="text-align: center;">Violation(s)</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">                     22 TEX. ADMIN. CODE § 153.20(a)(7) by acting as a certified real estate appraiser under the Act when he was not so certified.                 </td> </tr> </tbody> </table>	Violation(s)	22 TEX. ADMIN. CODE § 153.20(a)(7) by acting as a certified real estate appraiser under the Act when he was not so certified.
Violation(s)				
22 TEX. ADMIN. CODE § 153.20(a)(7) by acting as a certified real estate appraiser under the Act when he was not so certified.				
<p>Complaint No.: 10-376 McDANIEL, Terry Ottis Lic. # TX-1328118-R Effective Date: 11/9/2012</p>	<p>erry Ottis McDaniel:</p> <p>(1) is assessed an administrative penalty of \$4,000.00, payable in full on or before twenty days after the date Terry Ottis McDaniel is notified of this Final Order;</p> <p>(2) that Board staff issue Terry Ottis McDaniel a first-time violator letter setting out the Findings of Fact and Conclusions of Law in the PFD;</p> <p>(3) submit evidence to the Board of successful completion of a classroom course in USPAP with a minimum of fifteen (15) class hours and a classroom course in Residential Report Writing with a minimum of fifteen (15) class hours on or before February 15, 2014.</p>	<p>.Staff's first allegation is that Respondent failed to comply with USPAP in violation of 22 TAC 153.20(a)(3) and 155.1(a) in regard to the appraisal. Staff's second allegation is that Respondent violated 22 TAC 153.20(a)(9) in regard to the appraisal. Staff's third allegation is that Respondent violated 22 TAC 153.8(b) and 153.20(a)(2), (4), (16), (17), and (18) in regard to the appraisal.</p>		

Name and Location	Order	Basis For Order
Complaint No.: 08-065 LEWIS, Ronald Craig Lic. # TX-1329836-G Houston Effective Date: 2/15/2013	Ronald Craig Lewis: (1) is assessed an administrative penalty of \$3,000.00, payable in full on or before twenty days after the date Ronald Craig Lewis is notified of this Final Order; and, (2) is restricted from performing any appraisals other than for an employer for a one year period, beginning twenty days after Ronald Craig Lewis is notified of this Final Order.	The complaint alleged that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").
Complaint No.: 12-024 & 12-174 LEAR, Ted Norman Lic. # TX-1321121-G Spicewood Effective Date: 2/15/2013	(1) MENTORSHIP. Within 6 months of the effective date of this order, Respondent shall complete 8 hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. Respondent shall submit a Board approved certification form signed by the approved certified USPAP instructor on or before the due date listed for the mentorship requirement. Respondent is solely responsible for locating and scheduling an approved mentor to timely satisfy this Order and is urged to do so well in advance of any compliance deadline to ensure adequate time for completion (2) ADMINISTRATIVE PENALTY. Respondent pay an administrative penalty in the amount of \$500 within twenty (20) days of the effective date of this order.	The complaints alleged that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").
Complaint No.: 10-173 & 12-038 HAWKINS, Robert Wyman Jr. Lic. # TX-1335830-R Dallas Effective Date: 2/15/2013	(1) EDUCATION. On or before February 15th, 2014. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board: (A) A classroom course in Residential Market Analysis, a minimum of fifteen (15) class hours; (B) A classroom course in Residential Case Studies, a minimum of fifteen (15) class hours; (C) A classroom course in Residential Report Writing, a minimum of fifteen (15) class hours; (D) A classroom course in Residential Cost Approach, a minimum of fifteen (15) class hours; (2) MENTORSHIP. On or before February 15th, 2014. Respondent shall complete fifteen (15) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board. (3) EXPERIENCE LOG. On or before February 15th, 2015. Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board for the period of twelve (12) months starting after completion of education and mentorship (from February 15th, 2014 to February 15th, 2015); (4) ADMINISTRATIVE PENALTY. Pay to the Board an administrative penalty of five thousand dollars (\$5,000.00), be certified funds, within twenty (20) days of the effective date of this order.	The complaints alleged that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").
Complaint No.: 12-245 HALL, Felicia A. Lic. # TX-1328738-L Effective Date: 2/15/2013	License number TX-1328738-L hereto issued to FELICIA A. HALL, to practice real property appraisal in the State of Texas, be permanently revoked without formal charges, notice of hearing, or a formal hearing.	

Name and Location	Order	Basis For Order				
<p>Complaint No.: 11-408</p> <p>GUERRERA, Ronald John</p> <p>Lic. # TX-1332869-R Rio Grande City</p> <p>Effective Date: 2/15/2013</p>	<p>(1) MENTORSHIP. On or before September 4, 2013. Respondent shall complete five (5) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. Respondent shall submit a certification of completion signed by the approved certified USPAP instructor on or before the due date listed for each mentorship requirement. Respondent is solely responsible for locating and scheduling an approved mentor to timely satisfy this Order and is urged to do so well in advance of any compliance deadline to ensure adequate time for completion.</p> <p>(2) On or before September 4, 2013, five (5) hours of mentorship in sales comparison approach and market analysis.</p>	<p>The complaint alleged that the Respondent produced appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="background-color: #003366; color: white; text-align: center;">Violation(s)</th> </tr> </thead> <tbody> <tr> <td>USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3).</td> </tr> <tr> <td>22 TEX. ADMIN. CODE §153.20(a)(9) by omitting material facts.</td> </tr> </tbody> </table>	Violation(s)	USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3).	22 TEX. ADMIN. CODE §153.20(a)(9) by omitting material facts.	
Violation(s)						
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22 TEX. ADMIN. CODE §153.20(a)(9) by omitting material facts.						
<p>Complaint No.: 12-243</p> <p>GARDNER, Bart Landon</p> <p>Lic. # TX-1333054-R Arlington</p> <p>Effective Date: 2/15/2013</p>	<p>Texas appraiser certification be suspended for a period of twenty four (24) months, effective 5:00 p.m., February, 15th, 2013. and that beginning at 5:00 p.m., February 15th, 2013 the suspension is to be fully probated for twenty four (24) months ending February 15th, 2015, subject to the following terms and conditions:</p> <p>(1) EDUCATION. On or before February 15th, 2014. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board:</p> <p style="padding-left: 20px;">(a) A minimum fifteen (15) classroom-hour course in USPAP, on or before February 15th, 2014.</p> <p>(2) MENTORSHIP. On or before February 15th, 2014. Respondent shall complete four (4) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below:</p> <p style="padding-left: 20px;">(a) Four (4) hours of mentorship concerning the USPAP Ethics Rule, USPAP Recordkeeping Rule, USPAP Competency Rule, and USPAP Scope of Work Rule, on or before February 15th, 2014.</p> <p>(3) EXPERIENCE LOG. On or before February 15th, 2015. Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board for the period of twelve (12) months starting after completion of education and mentorship (from February 15th, 2014 to February 15th, 2015). The log shall detail all real estate appraisal activities Respondent has conducted during that twelve (12) month period.</p> <p>(4) TRAINEES. Respondent shall not sponsor any trainees during the first year of his twenty-four (24) month probation period.</p> <p>(5) ADMINISTRATIVE PENALTY. Pay to the Board an administrative penalty of five thousand dollars (\$5,000.00), by certified funds, within twenty (20) days of the effective date of this order (Le. on or before March 7th, 2013).</p>	<p>The complaint alleged that the Respondent produced an appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="background-color: #003366; color: white; text-align: center;">Violation(s)</th> </tr> </thead> <tbody> <tr> <td>USPAP as prohibited by TEX. Occ. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1 (a) and 153.20(a)(3).</td> </tr> <tr> <td>22 TEX. ADMIN. CODE §153.20(a)(2) by specifically violating 22 TEX. ADMIN. CODE §153.9(e) by submitting false information in an application to the Board.</td> </tr> <tr> <td>22 TEX. ADMIN. CODE §153.20(a)(9) by omitting material facts</td> </tr> </tbody> </table>	Violation(s)	USPAP as prohibited by TEX. Occ. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1 (a) and 153.20(a)(3).	22 TEX. ADMIN. CODE §153.20(a)(2) by specifically violating 22 TEX. ADMIN. CODE §153.9(e) by submitting false information in an application to the Board.	22 TEX. ADMIN. CODE §153.20(a)(9) by omitting material facts
Violation(s)						
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22 TEX. ADMIN. CODE §153.20(a)(2) by specifically violating 22 TEX. ADMIN. CODE §153.9(e) by submitting false information in an application to the Board.						
22 TEX. ADMIN. CODE §153.20(a)(9) by omitting material facts						

Name and Location	Order	Basis For Order
<p>Complaint No.: 11-212</p> <p>GALINDO, Israel</p> <p>Lic. # TX-1337664-R Tyler</p> <p>Effective Date: 2/15/2013</p>	<p>TX-1337664-R be suspended for twenty-four (24) months effective 5:00 p.m. on February 15th, 2013 and beginning at 5:00 p.m., February 15th, 2013, the suspension is fully probated for twenty-four (24) months ending February 15th, 2015, subject to the following terms and conditions:</p> <p>(1) NO TRAINEES. Respondent shall not sponsor or supervise any appraiser trainees for the duration of the above-referenced period;</p> <p>(2) MENTORSHIP. On or before March 4th, 2013, Respondent shall complete 20 hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board:</p> <p style="padding-left: 20px;">(i) On or before March 4th, 2013, complete twenty (20) hours of mentorship with a focus on the sales comparison approach, prior sales and listing history analysis, and cost approach, including lot value and cost of improvements analysis and determination.</p> <p>(4) EDUCATION. On or before March 4th, 2013, Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board:</p> <p style="padding-left: 20px;">(i) Attend and complete a minimum 15 hour classroom course in USPAP;</p> <p style="padding-left: 20px;">(ii) Attend and complete a minimum 15 hour classroom course in the Sales Comparison Approach;</p> <p style="padding-left: 20px;">(iii) Attend and complete a minimum 7 hour classroom course in the Cost Approach;</p> <p style="padding-left: 40px;">(a) No examination shall be required for this course</p> <p>(5) LOGS. Respondent shall submit a signed and notarized experience log and affidavit listing all real estate appraisal activities completed during the the previous six-months.</p>	<p>The complaint alleged that the Respondent produced an appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p> <hr/> <p style="text-align: center;"><b>Violation(s)</b></p> <p>USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3).</p> <p>22 TEX. ADMIN. CODE §153.20(a)(9) by misrepresenting and omitting material facts.</p>
<p>Complaint No.: 10-251 &amp; 12-250</p> <p>FETSCH, Richard M.</p> <p>Lic. # TX-1323523-R San Antonio</p> <p>Effective Date: 2/15/2013</p>	<p>TX-1323523-R be revoked for a period of 12 months, effective 5:00 p.m., February 15th, 2013 and beginning at 5:00 p.m., February 15th, 2013, the revocation is to be fully probated for 12 months ending February 15th, 2014, subject to the following terms and conditions:</p> <p>(1) NO TRAINEES. Respondent shall not sponsor or supervise any appraiser trainees for the duration of the above-referenced period;</p> <p>(2) MENTORSHIP. On or before May 15th, 2013, Respondent shall complete ten (10) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board;</p> <p style="padding-left: 20px;">(A) On or before May 15th, 2013, complete ten (10) hours of mentorship with a focus on the sales comparison approach, prior sales history and listing history analysis, and cost approach, including lot value and cost of improvements analysis and determination.</p> <p>(3) EDUCATION. On or before August 15th, 2013. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board:</p> <p style="padding-left: 20px;">(A) On or before August 15th, 2013, complete a minimum fifteen (7) classroom-hour course in Valuation by Comparison. No examination shall be required for this course;</p>	<p>The complaints alleged that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p> <hr/> <p style="text-align: center;"><b>Violation(s)</b></p> <p>USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE</p> <p style="text-align: right; margin-top: 20px;">Continued on next page</p>

Name and Location	Order	Basis For Order
Continued from previous page	(A) In lieu of completing the education noted above, Respondent may elect to complete an additional 7 hours of mentorship on market data analysis and the sales comparison approach in the manner described below under the "mentorship" heading; and.  (4) ADMINISTRATIVE PENALTY. On or before March 7th, 2013, Respondent shall pay an administrative penalty in the amount of \$500. Payment of the administrative penalty must be by certified funds. .	
Complaint No.: 12-313  ELDER, Eric  Lic. # TX-1336851-R  Effective Date:	TX-1336851-R hereto issued to ERIC ELDER to practice real property appraisal in the State of Texas, be permanently revoked without formal charges, notice of hearing, or a formal hearing.	
Complaint No.: 09-110  ASKEW, Wm Douglas  Lic. # TX-1325858-G Houston  Effective Date: 2/15/2013	(1) ADMINISTRATIVE PENALTY. Pay to the Board an administrative penalty of one thousand dollars (\$1,000.00), by certified funds, within twenty (20) days of the effective date of this order (i.e. on or before March 7th, 2013).	The complaint alleged that the Respondent produced appraisal reports for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").
		<b>Violation(s)</b>
		USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20
Complaint No.: 12-209  ARENAS, John Jr.  Lic. # TX-1323843-R Kingwood  Effective Date: 2/15/2013	Respondent shall not seek renewal of his certification, nor apply to the Board for any authorization, license, certification or registration in the future.	The complaint alleged that the Respondent produced appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").

# Inspector Insight



*The Texas Real Estate Inspector Committee is as an advisory committee to the Texas Real Estate Commission on matters pertaining to the licensing and regulation of real estate inspectors. The Committee recommends rules and policies that ensure inspections meet high professional standards and enhance consumer protection.*

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***Inside this Issue: From the Chair (page 1) Inspector Committee Open Positions (page 2)***

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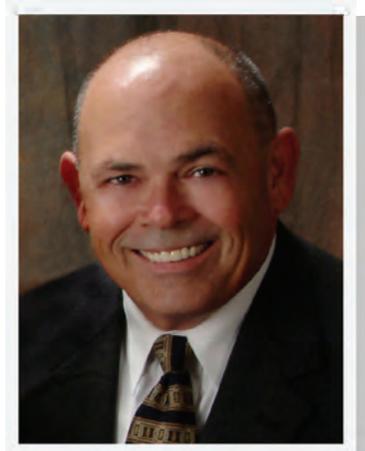
## ***From the Chair...***

The Inspector Committee met on February 1 and elected officers for the next year. I was humbled to be selected to continue as Chair, Brian Murphy will continue as Vice Chair and Steven Reinhart was elected to be the new Secretary, replacing Jill Frankel, our hardest working public member whose term ended January 31 after six years of dedicated service. Her replacement has not yet named, so we may yet get to work with her for another meeting, but we truly appreciate the time and energy she brought to the work of the Committee over an extended period. We also appointed sub-committees to distribute and focus the work of the committee in the areas of enforcement, education and standards.

At the Commission meeting on February 11th, we promoted the proposed updated Standards of Practice and corresponding changes to the standard report form that were previously published for comment. A variety of comments were offered, several of which appeared to stem from a basic misunderstanding of the changes that were proposed. Because of the intensity of some commenters, the proposed changes were withdrawn and re-proposed with several changes. The committee will be meeting again on April 12 to consider these changes and any additional comments received by then. I encourage a careful review by practitioners and then to make your thoughts known, so we can all better serve our clients.

The Committee relies on both qualified inspectors and willing public members to fulfill its mission. Two public member openings will be filled in May and I encourage all interested parties to consider applying to serve for a proposed two-year term (down from 6) on the committee as a service to the citizens of Texas. Public member volunteers are often hard to find, so we also urge inspectors to recommend someone you know who might be willing to serve in this valuable role.

The Commission and the Committee continue to work cooperatively to improve the ability of inspectors to serve the needs of real estate buyers and sellers. Several improvements are needed in the enabling statute and we hope to see some action to address these in the upcoming legislative session. I urge you all, especially the major professional associations, to remain engaged and assist the industry and the committee in achieving its goals. Your input is always welcomed.



**Brad Phillips, Chair**

## ***Inspector Committee Announces Two Open Public Positions***

The applications for appointment to two open public member seats on the Texas Real Estate Commission (TREC) invites Estate Inspector Committee. The Committee's purpose is to make recommendations to the Commission regarding a variety of inspection-related matters toward the goal of ensuring a high degree of service to and protection of the public in dealing with inspectors. The committee consists of six professional inspectors and three public members.

While anyone can apply to be a public member, following the Commission's model, public members may not hold occupational licenses in the real estate field (appraiser, real estate broker/salesperson, mortgage broker, etc.). The current term for a public member is six years. However, a rule was proposed at the February 2013 Commission meeting to reduce the public member terms to two years, with the potential for being reappointed to additional two-year terms.

Committee meetings are usually scheduled to meet in Austin. However, the Committee does have the authority to meet by teleconference and subcommittee meetings are usually held via teleconference.

If interested, there is no need to fill out an application. Individuals wishing to be considered for appointment should send a letter expressing your desire to serve, along with a resume and any letters of recommendation, or any other additional information that would benefit the selection process, to Chairman Avis Wukasch at the Texas Real Estate Commission.

Application materials can be submitted by mail to Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, by fax to 512-936-3788, or by e-mail to [administrator@trec.texas.gov](mailto:administrator@trec.texas.gov). For additional information about the selection process or the Texas Real Estate inspector Committee, please contact Tony Slagle at [tony.slagle@trec.texas.gov](mailto:tony.slagle@trec.texas.gov).

### ***Important Dates to Remember***

Inspector Committee Meeting—April 12 TREC