



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND
INSURANCE TENNESSEE REAL ESTATE
COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243
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<https://www.tn.gov/commerce/regboards/trec.html>

MINUTES

The Tennessee Real Estate Commission held a meeting March 13, 2019 at 9:00 a.m. CST in Room 1-A of the Davy Crockett Tower located at 500 James Robertson Parkway, Nashville, TN 37243. The Meeting was called to order by Chairman John Griess.

Chairman John Griess welcomed everyone to the Board meeting.

Executive Director Caitlin Maxwell read the public disclaimer and called the roll. The following Commission Members were present: Chairman John Griess, Vice-Chair Marcia Franks, Commissioner Diane Hills, Commissioner Bobby Wood, Commissioner Richard Douglass, Commissioner Fontaine Taylor, and Commissioner Austin McMullen. Commissioner Geoffrey Diaz was absent. Quorum Confirmed. Others present: Chief Counsel Denard Mickens, Assistant General Counsel Anna D. Matlock, Assistant General Counsel Erica Smith, Assistant General Counsel Kelsey J. Bridges, Assistant General Counsel Keith McCarthy, paralegal Amanda Dean, Executive Director Caitlin Maxwell, Education Director Ross White, and TREC staff member Aaron Smith.

The February 13, 2019 board meeting agenda was submitted for approval.

Motion to approve the agenda was made by Vice-Chair Franks, and seconded by Commissioner Taylor. Motion passed unanimously.

Minutes for the February 13, 2019 board meeting were submitted for approval.

Motion to approve the February 13, 2019 minutes was made by Vice-Chair Franks, and seconded by Commissioner Hills. Motion passed unanimously.

Minutes for the Emergency Meeting March 1, 2019 board meeting were submitted for approval

Following a suggestion by the Commission for a minor correction, motion to approve the

March 1, 2019 minutes were made by Commissioner McMullen, and seconded by Commissioner Hills. Motion passed unanimously.

INFORMAL APPEARANCES

Lindsey Holt appeared before the Commission along with her Principal Broker Benjamin Hurd. Ms. Holt requested approval to obtain her Affiliate Broker license.

Motion to approve Ms. Holt was made by Commissioner Hills, and seconded by Commissioner Wood. Motion passed unanimously

Chrystal Borchert appeared before the Commission along with her Manager Melissa Misner. Ms. Borchert requested approval to obtain her Acquisition license.

Motion to approve Ms. Borchert was made by Vice-Chair Franks, and seconded by Commissioner Douglass. Motion passed unanimously.

EDUCATION REPORT

Education Director Ross White presented the Education Report to the Commission.

Motion to approve courses M1-M34 was made by Commissioner Wood and seconded by Commissioner McMullen. Motion passed unanimously.

Education Director Ross White presented Instructor Bios to the commission.

Motion to approve instructors was made by Commissioner Wood, and seconded by Commissioner McMullen.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Caitlin Maxwell updated the Commission on the Errors and Omissions Insurance suspension, advising penalties are being issued and principal broker complaints will be opened. PSI will remain the testing vendor for the State of Tennessee. Director Maxwell shared with the Commission feedback from the printed correspondence course questionnaire sent to state licensed P&P providers. In addition Director Maxwell, will provide the commission with data regarding the financials.

APPEARANCE

Grover Collins

The Commission had a discussion concerning a procedure for presentation of potential settlement offers following the Commission's authorization of discipline via consent order.

Assistant General Counsel Kelsey J. Bridges presented a recap of the facts before the Commission pertaining to a hearing scheduled for the April 2019 meeting. Following a motion that passed 5-2, Attorney Grover C. Collins appeared before the Commission to discuss the potential of presenting a settlement offer for his client. Ultimately, the Commission decided to proceed with a formal hearing.

D& D School:

Assistant General Counsel Anna Matlock read a letter written by attorney Jason Ensley, counsel for D&D School of Real Estate. The request was for temporary reinstatement of the two printed correspondence courses the Commission withdrew approval for following the emergency meeting on March 1, 2019. Following discussion of the letter, the Commission voted 6-0, with one abstention, to accept the conditions of the request and to allow D&D School to appear before the Commission for further discussion of the remaining courses at its April 2019 meeting.

LEGAL UPDATE

Assistant General Counsel Anna Matlock provided a brief refresher of the Department's conflicts of interest policy and the *Public Meetings Act* to the Commission.

COMMISSION DISCUSSIONS

Chairman Griess, advised the Commission on the upcoming October meeting. Gatlinburg has offered to host the meeting. Farragut meeting room will be available at the time of the October meeting.

CONSENT AGENDA & LEGAL REPORT:

CONSENT AGENDA:

The following cases were presented to the Commission via a Consent Agenda. All cases were reviewed by legal, legal has recommended dismissal. The Commission pulled the following cases for further discussion: 2018066571. Commissioner Hills made the motion to accept the recommendation of legal counsel for cases 1-17 seconded by Commissioner Wood. Motion passed unanimously.

Commissioner Hills made the motion to accept the recommendation of legal counsel for cases 18-23 with the exception of 2018073961 seconded by Commissioner Douglass. Motion passed 6-0 with Commissioner Taylor not present at the vote.

After further discussion by the Commission, Commissioner Hills made the motion to accept the recommendation of legal counsel to dismiss cases 2018066571 seconded by Commissioner

Wood. Motion passed unanimously.

After further discussion by the Commission, Chairman Griess made the motion to accept the recommendation of legal counsel to dismiss case 2018066571 seconded by Commissioner McMullen. Motion passed unanimously.

1) 2018066571	18) 2018072581
2) 2018066671	19) 2018066721
3) 2018071291	20) 2018066421
4) 2018074311	21) 2018072811
5) 2018075231	22) 2018073961
6) 2018076381	23) 2018074181
7) 2018075551	
8) 2018076791	
9) 2018076971	
10) 2018077581	
11) 2018077641	
12) 2018077761	
13) 2018077651	
14) 2018078171	
15) 2018079901	
16) 2018079871	
17) 2018079621	

LEGAL REPORT:

KELSEY BRIDGES

1. 2018067111
Opened: 9/20/2018
First Licensed: 10/14/2010
Expires: 4/8/2019
Type of License: Principal Broker
History: None

Recommendation: Dismiss.

Decision: The Commission voted to assess a \$500 civil penalty for violation of T.C.A. §1260-02-.09 with the requirement that the earnest money funds must be removed from the account seven days after signing the Consent Order.

Motion made by Commissioner McMullen, seconded by Commissioner Wood. Motion passed unanimously.

2. 2018061591

Opened: 8/28/2018

First Licensed: 11/14/2012

Expires: 3/10/2020

Type of License: Real Estate Broker

History: 2018 Consent Order

Recommendation: \$250 civil penalty for Respondent's failure to answer the complaint.

Decision: The Commission voted to issue a \$1,000 civil penalty for Respondent's failure to answer the complaint.

Motion made by Commissioner McMullen, seconded by Commissioner Hills. Motion passed unanimously.

3. 2018063971

Opened: 9/9/2018

First Licensed: 3/25/2015

Expires: 3/24/2019

Type of License: Affiliate Broker

History: None

Recommendation: Letter of Warning.

Decision: The Commission voted to dismiss the complaint.

Motion made by Commissioner Wood, seconded by Commissioner McMullen. Motion passed unanimously.

4. 2018064171

Opened: 9/10/2018

First Licensed: 8/5/2005

Expires: 9/7/2020

Type of License: Principal Broker

History: 2017 Letter of Warning

Recommendation: \$250 civil penalty.

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Chairman Griess, seconded by Commissioner Taylor. Motion passed unanimously.

5. 2018077381

Opened: 10/31/2018

Type of License: Unlicensed

History: None

Recommendation: \$1,000 civil penalty and language directing Respondent to cease and desist.

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Taylor, seconded by Commissioner Wood. Motion passed unanimously.

6. 2018079651

Opened: 11/13/2018

First Licensed: 10/6/2014

Expires: 10/5/2020

Type of License: Affiliate Broker

History: None

Recommendation: Referral and/or dismissal.

Decision: The Commission voted to dismiss the complaint.

Motion made by Commissioner Wood, seconded by Commissioner McMullen. Motion passed unanimously.

7. 2018079961

Opened: 11/14/2018

First Licensed: 7/8/2014

Expires: 7/7/2020

Type of License: Affiliate Broker

History: None

Recommendation: \$500 civil penalty for unlicensed activity with a possible additional penalty to be assessed following the Commission's discussion of Tenn. Code Ann. § 62-13-302.

Decision: The Commission voted to issue a \$1,000 civil penalty for unlicensed activity and to issue an additional \$1,000 civil penalty for violation of Tenn. Code Ann. § 62-13-302.

Motion made by Commissioner Taylor, seconded by Commissioner Wood. Motion passed 4-3 with Chairman Griess, Commissioner Douglass, and Commissioner McMullen voting no.

KEITH MCCARTHY

8. 2018071931

Opened: 10/10/2018

First Licensed: 10/6/1992

Expires: 10/12/2020

Type of License: Real Estate Firm

History: None

Recommendation: Dismiss for lack of service.

Decision: The Commission voted to defer this complaint until next month in order to serve the principal broker.

Motion made by Chairman Griess, seconded by Commissioner McMullen. Motion passed 6-0 with Commissioner Taylor abstaining.

9. 2018072901

Opened: 10/15/2018

Type of License: Unlicensed

History: None

Recommendation: Civil penalty in the amount of \$4,000 for engaging in unlicensed activity; violations of T.C.A. § 62-13-301 for managing four (4) properties.

Decision: The Commission voted to issue a \$4,000 civil penalty for unlicensed activity and to include cease and desist language in the Consent Order.

Motion made by Commissioner Hills, seconded by Commissioner Taylor. Motion passed unanimously.

10. 2018074211

Opened: 10/18/2018

First Licensed: 5/31/2017
Expires: 5/30/2019
Type of License: Real Estate Firm
History: None

Recommendation: \$500 Civil Penalty for violation of Rule 1260-02-.12(3) (e)¹.

Decision: The Commission voted to issue a \$1,000 civil penalty for violation of Rule 1260-02-.12(3) (e).

Motion made by Commissioner McMullen, seconded by Commissioner Taylor. Motion passed unanimously.

11. 2018074561
Opened: 10/19/2018
First Licensed: 4/22/2004
Expires: 12/19/2019
Type of License: Affiliate Broker
History: None

Recommendation: \$500 civil penalty for failing to exercise reasonable skill and care to all parties in listing on MLS as 4th bedroom when the room had no exterior egress; violation of T.C.A. § 62-13-403(1).

Decision: The Commission voted to dismiss the complaint.

Motion made by Commissioner Douglass, seconded by Commissioner McMullen. Motion passed 6-1 with Chairman Griess voting no.

12. 2018070261
Opened: 10/3/2018
First Licensed: 10/27/2017
Expires: 10/26/2019
Type of License: Real Estate Firm
History: None

Recommendation: Refer case to Division of Consumer Affairs for offer of mediation and/or referral to Attorney General's Office for investigation.

Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Commissioner Hills, seconded by Commissioner Douglass. Motion passed unanimously.

13. 2018068101

Opened: 9/25/2018

Type of License: Unlicensed

History: None

Recommendation: Civil penalty in the amount of \$500 for engaging in unlicensed activity; violations of T.C.A. § 62-13-301 for managing the property.

Decision: The Commission voted to issue a \$1,000 civil penalty for engaging in unlicensed activity.

Motion made by Commissioner McMullen, seconded by Commissioner Hills. Motion passed unanimously.

ERICA SMITH

Re-Presents

14. 2018038531

Opened: 6/14/2018

Type of License: Unlicensed

History: None

Counsel finds no evidence Respondent violated any statutes or rules and recommends dismissal.

Previous Recommendation: Dismiss.

Previous Decision: The Commission voted to defer this until the December meeting and to recommend that Respondent become licensed before that time.

New Information: Counsel advised Respondent to obtain a VLS license and Respondent has since submitted a full and complete application to our licensing division to obtain a VLS license.

New Recommendation: In consistency with prior deferred VLS complaints, dismissal as Respondent has complied with VLS licensing application requirements.

New Decision: The Commission voted to approve Counsel's recommendation contingent on the license being issued.

Motion made by Commissioner Hills, seconded by Vice-Chair Franks. Motion passed unanimously.

15. 2018038681

Opened: 6/14/2018

Type of License: Unlicensed

History: None

Previous Recommendation: Consent Order assessing a \$1,000 civil penalty for unlicensed activity in violation of TCA §62-13-301.

Previous Decision: The Commission voted to defer this until the December meeting and to recommend that Respondent become licensed before that time.

New Information: Counsel advised Respondent to obtain a VLS license and Respondent has since submitted a full and complete application to our licensing division to obtain a VLS license.

New Recommendation: In consistency with prior deferred VLS complaints, dismissal as Respondent has complied with VLS licensing application requirements.

New Decision: The Commission voted to accept Counsel's recommendation.

Motion made by Vice-Chair Franks, seconded by Commissioner McMullen. Motion passed unanimously.

Chairman Griess adjourned the meeting at 1:25PM