

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION
NOVEMBER 18, 2010

The Louisiana Real Estate Commission held its regular meeting on Thursday, November 18, 2010, at 9:00 a.m., at 9071 Interline Ave, Baton Rouge, Louisiana, according to regular call, of which all members of the Commission were duly notified, at which meeting the following members were present:

COMMISSION

Judy Songy, Chairman
Frank Trapani, Vice Chairman
Mike Bono, Secretary
Paul Burns
Patrick T. Caffery, Jr.
Archie Carraway
Tim Flavin
James Gosslee
Jennifer LaNasa
Cynthia Stafford

STAFF

Bruce Unangst, Executive Director
Arlene C. Edwards, Legal Counsel
Stephanie Boudreaux
Gwen Chapman
Mark Gremillion
Robert Maynor
Chad Mayo
Summer Mire
Al Rowe
Nikki Senegal
Marsha Stafford
Ivy Stringer
Malissa Wright
Jenny Yu

GUESTS

Bob Brooks
Lynda Butler
Brent Lancaster
Norman Morris
Cindy Olano
Dr. Roy Ponthier
Rick Roberts
Malcolm Young

Commission members not present for the meeting were Gretchen Ezernack.

Commissioner Flavin led the Invocation; Commissioner Trapani led the Pledge of Allegiance.

Commissioner Burns made motion, seconded by Commissioner Stafford, to approve the Minutes of Meetings of October 20, 2010 and October 21, 2010, as written and circulated. Motion passed without opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford discussed the budget report prepared by Al Rowe. Commissioner Flavin requested that the Commission members be sent a copy of the budget report prior to the Commission meeting.
2. Education/Research/Publication – Commissioner Trapani reported that the Education Committee sent out an RFP for the 2011 mandatory continuing education course. The committee met and reviewed the three proposals. Commissioner Caffery made motion, seconded by Commissioner Flavin, to approve the recommendation of the Education Committee in selecting Dr. Roy Ponthier for preparing the 2011 mandatory course and Train the Trainer. Motion carried without opposition.
3. Legislative/Legal/Timeshare – No report.
4. Standardized Forms – Commissioner Carraway reported that there may be discussion on Lines 67-75 of the Standardized Purchase Agreement form. Commissioner Caffery reported that there was some miscommunication between him and Stephanie Boudreaux in regards to what would be included in the form. Ms. Boudreaux explained that the language in the forms given to the Commissioners is what is for approval. Commissioner Trapani made motion, seconded by Commissioner Flavin, to approve lines 67-75 of the Standardized Purchase Agreement as written. Lynda Butler, Louisiana Realtors Association, provided discussion on the topic. She stated that by leaving lines 67-75 in the purchase agreement, would not be fair to the buyer as we are putting them into an obligation that they cannot meet as well as giving the seller false hope. She stated that the conditions are not realistic as financing is often not approved until the last minute. She asked that the Commissioners consider that they are asking the buyers to do something that they cannot do. She suggested that an alternative be that addition of lines to assist the seller which may give occupancy after closing. Commissioner Carraway reported that he thought that statement was already in the purchase agreement and that this has already been discussed in length at the committee meeting. Commissioner Carraway also stated that this language was applied to put a deadline on lenders to get the documents to the closing on time. Commissioner Flavin agreed that there should be pressure on the lenders and feels it is important to keep the lines in the purchase agreement. Commissioner Trapani also agrees that the lines should be included as does Commissioner Stafford. There being no further discussion, motion carried without opposition.

Commissioner Carraway reported that the Property Disclosure Form was previously approved in the last meeting. Ms. Boudreaux commented that the Commission wanted to view the final draft with previous changes. Commissioner Flavin made motion, seconded by Commissioner Trapani, for final approval of the Residential Property Disclosure form. Motion carried without opposition.

5. Strategic Planning – Commissioner Caffery reported that Commissioner Trapani requested that Commissioner Caffery continue to serve as Chairman of the Strategic Planning committee. Commissioner Caffery stated that a report will be ready for the January 2011 meeting.

DIRECTORS REPORT:

Commissioner Songy introduced the new Executive Director, Bruce Unangst.

Mr. Unangst reported that Ivy Stringer has been detailed into the Compliance Investigator 4-A position. Chad Mayo, Malissa Wright, and Nikki Senegal have been hired into Compliance Investigator 1 positions. Existing staff will rotate to handle the front staff duties until the position is filled. Mr. Unangst met with R.C. McCormick and reported that he will be available if any help is needed.

Mr. Unangst requested that the Commission offer direction on the locations of the Train the Trainer seminars. Commissioner Trapani made motion, seconded by Commissioner Flavin to have the Train the Trainer seminars in Ruston, Baton Rouge, and Jefferson Parish. Motion carried without opposition.

Mr. Unangst reported on the continuing education audit and stated that letters are being sent out. A report on the computer problems with renewals was given. There should be a fix to reconciling the reports for renewal.

Mr. Unangst reported that he attended an ARELLO meeting in New Orleans, LA. There was a discussion on unlicensed limited service internet brokers. Mr. Unangst requested input from the Commission at a later date regarding this issue.

UNFINISHED BUSINESS:

Commissioner Caffery introduced Dr. Roy Ponthier to discuss the issue of fees charged to education vendors. Dr. Ponthier reported that the Louisiana Real Estate Commission's hard cost of producing the mandatory and Train the Trainer course is \$15,000 - \$16,000. In other states, vendors are charged for training course. Louisiana does not charge anything for the course to education vendors. Louisiana only charges \$15 for a course approval and the course is approved indefinitely. ARELLO charges \$625.00 for course approval. Dr. Ponthier feels that the course should require a fee. Dr. Ponthier proposes that there be one fee charged for the course and one fee charged for attending Train the Trainer. Arlene Edwards reported that there must be approval through the legislature to have a change to the fee structure. Commissioner Flavin stated that the Legal/Legislative committee will discuss at their meeting in January.

NEW BUSINESS:

Commissioner Stafford made motion, seconded by Commissioner Flavin, to approve the Executive Director salary at \$100,000 annually. Motion passed without opposition.

Commissioner Trapani made motion, seconded by Commissioner Burns, to approve the resolution which grants Bruce Unangst the authorization to enter into and sign all professional service contracts required in the normal course of business. Motion carried without opposition.

Commissioner Burns made motion, seconded by Commissioner Stafford, to approve the resolution which grants Bruce Unangst the authority to establish and sign for banking accounts, and to designate other staff members as signees on any bank accounts as he deems necessary. Motion carried without opposition.

Commissioner Songy reported that the Commission received a letter from Chris Inman, Coldwell Banker TEC, which discusses the options a broker may have when there is an escrow dispute. Commissioner Songy asked for discussion. Commissioner Gosslee stated that he agrees that the resolution of escrow deposits are one of the most difficult things a broker must do as it causes problems. Mr. Inman's suggestion in the letter may be to allow deposits below \$5,000 to be placed in small claims court rather than district court as the fees are smaller. Commissioner Bono stated that it can be a problem as many title companies do not want to hold the deposit, as they do in other states. Commissioner Bono also suggested that brokers check their escrow accounts to determine whether or not their accounts are being charged service charges. Ms. Edwards stated that the law states that the deposits must be placed in the court of competent jurisdiction. Commissioner Flavin feels that the system in place by the Commission works. Commissioner Songy suggested that this issue be discussed at a later time in the Legal/Legislative committee. Ms. Edwards stated that this is discussed in rules and can be changed. She also stated that the broker has the right to go to any court that they choose. She reminded the Commission that this has been discussed numerous times before by the Commission and has covered all possible ways for the deposit to be handled. Commissioner Flavin confirmed that there will be limited discussion on this issue in the Legal/Legislative committee meeting in January.

Al Rowe requested approval for the budget. Commissioner Stafford made motion, seconded by Commissioner Trapani, to approve the revisions of the 2010-2011 budget and approve the projected 2011-2012 budget. Motion carried without opposition.

Commissioner Flavin thanked Lynda Butler and the Louisiana Realtors Association for their help with the Buy/Sell Agreement.

Commissioner Songy reported that the next scheduled meeting is December 16, 2010.

There being no further business, Commissioner Burns motioned to adjourn meeting, seconded by Commissioner LaNasa. Motion passed without opposition.

JUDY SONGY, CHAIRMAN

MIKE BONO, SECRETARY