

Real Estate news-journal

An Official Publication of the Tennessee Real Estate Commission Spring 2012



MEET THE 2012 WILLIAM C. "BILL" TUNE, JR. AWARD RECIPIENT – JULES WADE

The Tennessee Real Estate Commission congratulates Jules Wade, Executive Vice President of Memphis Area Association of REALTORS®, as the 2012 recipient of the William C. "Bill" Tune, Jr. Award. A life-long Memphian and a graduate of Christian Brothers College, Jules began his career as an educator in the Memphis Catholic Schools teaching Language Arts. For the past fifteen years, he has recruited high school students in the Memphis City Schools for the Memphis PREP Program, which offers a summer enrichment program, workshops, ACT preparation, college counseling, and mentoring. Jules also has been a valuable part of the Memphis Area Association of REALTORS® since 1981 as well as an active member of the National Association of REALTORS®, Greater Memphis Chamber, and Memphis Rotary.

During the award ceremony, Jules was introduced by former TREC Commissioner Bobbi Gillis. The ceremony was held after the January Commission meeting's recess on the campus of the University of Memphis.

The Tennessee Real Estate Commissioners would like to thank the Memphis Area Association of REALTORS® and the Tennessee Housing Development Agency for their help in honoring Jules and maintaining the integrity of this prestigious award.

The Tennessee Real Estate Commission adopted the criteria for this distinguished award in education excellence in 1996. This award is given to individuals that represent the highest ideals of dedicated service and professionalism in real estate education. Nominations are made by Commission members and staff during the November Commission meeting and the winner of the award is announced in January. It is suggested that the nominees have a minimum of ten years of experience in the real estate business or in real estate education. Nominees that have the ten years of real estate experience should also have at least five years of experience in real estate education.



TREC TUNE AWARD RECIPIENTS	
Bill Tune	1996
George Myers	1997
Sharon Langford	1998
Martin Edwards	1998
Ron Oslin	1999
Gaylon Greer	2000
Pug Scoville	2001
Diane Beaty	2002
Barney Thompson	2003
Hal Wilson	2004
Don Klein	2005
No Recipient	2007
Charles Haynes	2008
No Recipient	2009
No Recipient	2010



TOP RIGHT & CLOCKWISE: Commissioner Northern presents the award to Mr. Jules Wade, Bobbi Gillis & Marvin Palmer speaking, Leon Dickson, Sr., Jules Wade, Marvin Palmer, Bobbi Gillis & TREC Commissioner Isaac Northern, Jr. congratulate Mr. Wade, Jules Wade, Bobbi Gillis & Commissioner Northern.

In an effort to provide outstanding service to individuals who call the TREC office, all staff members are required to introduce themselves by name. When calling, please note the name of the staff person with whom you spoke, in case you need to contact that person again.

John Griess Appointed to Commission

Governor Haslam has appointed John Griess to complete the vacated term of Commissioner Valerie Joh of Kingsport. Griess is a member of the Board of Directors for Educational Funding of the South, Inc. ("Edsouth"). A lifelong resident of the Oak Ridge and Knoxville areas, John Griess holds a degree from the University of Tennessee in Business Administration. Prior to joining Holrob Commercial Realty, LLC, Griess was affiliated with Volunteer Realty Co. He has been active in the REALTOR® organization, where he has served as Director of the National Association of REALTORS® and as Director of the Tennessee Association of REALTORS®. Griess is the 2001 REALTOR® of the year for Tennessee and served as past



president of the Knoxville Area Association of REALTORS®, and was that organization's REALTOR® of the Year in 1995. Griess also holds the CCIM designation. Griess' commitment to the community includes a nine-year stint as an Alderman in the Town of Farragut and 12 years as a member of the Knox County Commission representing West Knox County. He serves on the boards of The Metropolitan Drug Commission and Goodwill Industries of Knoxville, Inc.

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TREC Welcomes New Staff

Julie Cropp has been hired as Assistant General Counsel and assigned to assist TREC. As provided for by law, The Tennessee Real Estate Commission shall have a full time general counsel. [TCA § 62-13-309.] Mrs. Cropp grew up in Brentwood and earned her B.A. in History from the University of Mississippi where she graduated summa cum laude and was a member of Delta Gamma sorority. Mrs. Cropp also graduated magna cum laude from University of Mississippi School of Law. Since graduation from law school in 2007, Mrs. Cropp worked as an associate attorney for a small general practice firm in Southaven, Mississippi.



Certification of Licensure

Under the Forms and Downloads section of the TREC website is the Certification Request Form. This form is used for a full license history including a licensee's education. During the 2011 December Commission meeting, the Commissioners suggested that Principal Brokers use this form as a tool when interviewing transferring licensees into their firm. For a copy of this form, visit

<http://www.tn.gov/commerce/boards/trec/documents/certreq.pdf>

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ERRORS & OMISSIONS EXCLUSIONS AND ENDORSEMENTS

The current E&O policy in place, pursuant to TCA §62-13-112, expires December 31, 2012. The Request for Proposal for policy providers will be released in the next few months and during the recent TREC Commission meetings, the Commissioners have discussed the exclusions and endorsements which are currently in the policy made available by the state. Licensees have the option of obtaining tail coverage for 1-3 years after the termination of their E&O policy. Currently, licensees insured under the state's policy, have an automatic 90 day tail coverage provision. Any claims made after the licensee's policy expires will not be covered. For more information on the current policy administered by Rice Insurance Services, visit

http://www.risceo.com/Tennessee/tn_home.htm

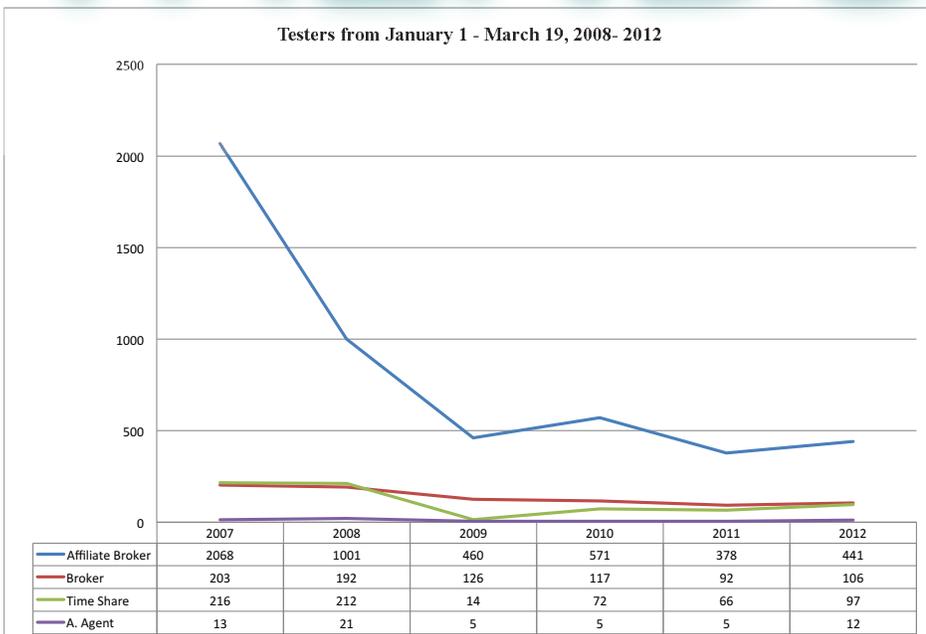
LICENSE STATISTICS

Number of Licensees as of 2/29/2012					
Type	Active	Inactive	Retired	Broker Release*	Grand Total
People	23,354	1,566	10,208	545	35,673
Firms	4,124		331		4,455
Totals	27,478	1566	10,539	545	40,128

*Broker Released licensees are those usually in the process of transferring or going inactive/retired.

Timeshare Registrations Active	191
Licensed Acquisitions Agent Active	113

LICENSE TESTING TRENDS



2012 Commission Schedule

TREC will continue to meet in each Grand Division in 2012. The Commission will hold their business meetings in Jackson, Chattanooga, Nashville and in a to-be-determined location in East Tennessee. You are encouraged to attend to not only learn how business of TREC is handled but to also receive (8) eight hours of CE at no charge. If you are interested in attending or would like more information, contact Betsy Bowman at betsy.bowman@tn.gov. Please continue to check TREC Homepage for any adjustments to this schedule.

- May 2-3, 2012: Nashville***
- June 6 - 7, 2012: Nashville***
- July 12 - 13, 2012: Jackson**
- August 8 - 9, 2012: Nashville***
- September 12 - 13, 2012: Nashville***
- October 11 - 12, 2012: Chattanooga**
- November 7 - 8, 2012: Nashville***
- December 5 - 6, 2012: Nashville***

*Room 160, Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243

ERRORS & OMISSIONS ERROR AND OMISSION PENALTIES

At the time of publication there are no current open complaints for licensees failing to have Errors and Omissions Insurance with the Tennessee Real Estate Commission.

COMPLAINT FINDINGS IN COMMISSION MEETING

COMPLAINT REPORT - TREC's Assistant General Counsel will have reviewed the complaints against licensees which appear in the report and will provide recommendations for the Commission's consideration. Neither the names of the Complainant or the Respondent are included in this report to assure anonymity. T.C.A. § 62-13-312(b) provides guidelines for disciplinary actions taken by TREC against licensees found guilty of violations of the Broker Act. These actions may include the following:

Dismiss – no substantiated complaint or no violation of the Broker Act.

Letter of Instruction – a letter to the licensee indicating a potential problem has been exhibited and the letter will provide instruction on how to avoid a real problem

Letter of Warning – a letter to the licensee indicating the behavior which instigated the complaint needs to stop

Consent Order – Commission Rule 1260-2-.32 allows the Commission, in addition to or in lieu of any other lawful disciplinary action, to assess a civil

penalty for each separate violation of a statute, rule or order pertaining to the Commission. This is accomplished by the licensee signing a Consent Order agreeing to the violation and the discipline imposed by the Consent Order. If the Licensee does not agree to settle the matter by Consent Order, then a formal hearing is set for disposition of the matter.

Formal Hearing – A formal hearing is somewhat like a trial where the licensee will be sent a Notice of Hearing requiring him/her to appear before the Commission. The Commission's legal counsel will represent the state and the

Commission will act as "jury". There will be an Administrative Law Judge present who will explain the process and insure the proceedings are carried out in accordance with all applicable law and rules. The Commission will 1) make "findings of fact" which means the Commission will decide what happened relative to a particular party's behavior; 2) make "conclusions of law" based upon the findings of fact by making a plain statement of what violation of a statute or rule was or was not committed by the Respondent 3) decide a remedy, penalty or discipline as appropriate and 4) decide a policy reason for their decision.

Complaints filed with TREC are first reviewed by staff and legal. It is after all information and documentation have been obtained from the involved parties that the Commissioners review the complaints submitted by counsel during a monthly Commission meeting. These reports offer as much information in the findings of fact but do not reveal any names or obvious identifying information. Below is a case that was presented during the February 2012 TREC Commission Meeting. After reviewing the case, take the opportunity to decide what violations occurred and if any penalties should be assessed. You will find the outcome of this case further into this edition of the TREC News Journal.

REPORT

Respondent (A)* 2011027841

Opened: 11/23/11

First License Obtained: 4/28/08

License Expiration: 4/27/12

E&O Expiration: 1/1/13

Type of License: Affiliate

History: No Prior Disciplinary Action

*7/22/11 Respondent was broker released, as of the date of this review; Respondent has failed to complete the administrative measures.

Respondent (B) 2011027821

Opened: 11/14/11

First License Obtained: 5/2/94

License Expiration: 3/19/13

E&O Expiration: 1/1/13

Type of License: Principal Broker

History: No Prior Disciplinary Action

Respondent (C) 2011027791

Opened: 10/28/11

First License Obtained: 2/13/06
E&O Expiration: 1/1/13
Type of License: Principal Broker
History: No Prior Disciplinary Action

This Complaint was filed by licensee who represented a seller against Respondent (A) who was the buyer's agent. (A) had been Broker Released on July 22, 2011 from his old firm and apparently had the intent to affiliate with Co-respondent (B) who is a Principal Broker. This intent is confirmed by (B) but (B) never filed with TREC the necessary administrative action to do such.

Co-Respondent (C) apparently had his letterhead used in the contract that was drawn up but appears to be a victim in this matter and had no knowledge of the activities involved. Apparently, (A) accessed this sales contract with (C)'s logo on it through the TAR network "Transaction Desk" accessed at the office of (B).

On August 17, 2011 (A) (not affiliated with any firm according to TREC records) presented an offer to purchase to Complainant's clients. The offer was given to the Complainant on a sales contract with (C)'s logo and business information on it. (A) also provided a loan pre-approval letter for the buyer from a finance company Complainant was not familiar with. The sales contract was accepted pending a closing date approved by the Court as this was an estate sale.

Complainant states that (A) and the buyer's finance company began pressuring her and her clients to go to closing. The buyer's finance company began calling the seller's title company making demands to hurry up and close the deal before the end of September stating the buyer was anxious to close. The Complainant and seller were able to get the matter approved by the court and set a closing date of September 30, 2011.

At the closing, the Complainant still believed (A) was the buyer's agent and he

cont. next page

REPORT(CONT.)

worked for the company listed on the sales contract with is owned by (C). After the closing, the Complainant found out the buyer's finance company was owned in part by (A) and his parents. This fact was not disclosed. The commission check was made out to (B) who Complainant had no knowledge of. After the closing, the Complainant investigated further and discovered that (A) had been associated with an entirely different company but was broker released in July of 2011, over a month before he submitted the offer.

Respondent (A) did not respond to the complaint.

(B) responded very upset and concerned. He had never heard of (A) and specializes only in commercial properties. He had worked at one time with (B) but had no association with him in years. A letter was submitted by the law firm for the Tennessee Association of Realtors® stating that they had looked into the matter and the sales contract used by (A) with (C)'s name on it came from a TAR online vendor called "Transaction Desk" and that the logo for (C)'s company had been loaded onto the system whereby (B) had access to it. Apparently, (A) found it in (B)'s system and accessed the sales contract. There does not appear to be any knowledge of the transaction or the parties involved by (C). He has asked the Commission to issue a "letter of innocence" and complete purging of this complaint on his file.

(B) admits that he had agreed to allow (A) to be transferred to his firm. (B) states he thought the previous Principal Broker was taking care of the transfer and it appears he was allowing (A) to work out of his office without being affiliated. After (A) "discovered" that he had been "terminated" from his previous broker, (B) alleges that he took over the contract while so that (A) could "sort out his status with the local association of REALTORS®." He further states that (C) and he worked together years ago but he had no idea he had access to his company logo as he does not use "Transaction Desk." (B) does not explain the fact that he took over a contract listed in another agent's name, on another real estate firm's contract, the fact that at no time did he take any administrative measures regarding an affiliate working out of his office, nor state whether or not (A) is or is not affiliated with his firm (which he is not).

Commissioner's ruling:

Respondent (A) – Consent Order for violation of TCA § 62-13-312(b)(14)(16) failure to take administrative action and (20) conduct that is improper, fraudulent or dishonest dealing for \$1,000.00; § 62-13-313(a)(2) failure to respond to a complaint filed by the Commission for \$1,000.00; § 62-13-310(a) acting as an affiliate without having been transferred under contract with the new broker or acting without a broker for \$1,000 for a total civil penalty of \$3,000.00. Additionally, attendance at a two-day scheduled TREC meeting within six months and (6) additional hours of "Ethics" continuing education within six months.

Respondent (B) – Consent Order for violation of TCA § 62-13-312(b)(14)(15) failure to supervise an affiliate for \$1,000.00; § 62-13-312(b)(16) failure to take administrative action for an affiliate broker for \$1,000; § 62-13-312(b)(20) conduct that is improper, fraudulent or dishonest dealing for \$1,000; § 62-13-310(a) allowing an affiliate broker to work in the firm without having been transferred under contract with the new broker or acting without a broker for \$1,000.00 for a total civil penalty of \$4,000.00. Additionally, attendance at a two-day scheduled TREC meeting within six months and (3) additional hours of "Ethics" and (3) additional hours of "Office Management" continuing education within six months.

Respondent (C) – Dismiss. Due to public records requirement of the office there does not appear to be a mechanism to expunge this complaint. A "Letter of Innocence" is to be placed in file as there was no evidence of any wrongdoing.

TREC TIPS

- The Code of Ethics course is a requirement for the National Association of REALTORS® and not TREC
- Mail is not forwarded from TREC. Inform TREC of any address change by completing a TREC Form 1 at no charge
- Funds in escrow must be dispersed or interplead within twenty-one (21) calendar days from the date of receipt of a written request for disbursement of earnest money
- Preserve all of your real estate files for at least (3) years.
- To check your education online, visit <http://verify.tn.gov/>
- Every licensee has their own personal expiry date
- You will owe (16) hours of CE every licensing period: (6) hour Mandatory TREC Core and (10) hours of elective education
- Office Broker Management is a pre-licensing course only
- TREC only recognizes an Active and Retired Status. Broker Release and Inactive are non-renewable license statuses
- A licensee has (10) days to answer a complaint received by the Commission
- A copy must be given of any listing, sale, lease or other contract relevant to a real estate transaction at the time of the execution of all signatories.
- When Broker Released, affiliate with another firm or retire your license within ten (10) days
- Always pick-up and sign for Certified Mail sent from TREC

NOTIFICATION OF ADDRESS CHANGE

Have you recently moved?? If yes, then TREC needs to know!! It is important to notify TREC of your change of address. We need this information because a growing number of licensees are not in constant contact with their firm. The process is fast and easy and of course NO CHARGE! Visit <https://apps.tn.gov/ciupdates/> to complete the change online or from our home page under Forms and Downloads in the Quick Links Box. TREC will update your file. Make sure to provide all your information including your license number if using the TREC Form 1 option.

Attend and Receive CE at No Charge

You are invited to attend a TREC Seminar held in a location closest to you for updates from the Commission. All attendees who register and attend shall receive 2 hours of CE at no charge! Over 1,070 licensees have taken part in the last two years alone. Contact betsy.bowman@tn.gov or an Association listed to reserve your space early. These seminars are open to all licensees.

Date	Time*	Association	City	Facility
April 25, 2012	9 am – 11 am & 1 pm – 3 pm	Williamson County Association of REALTORS®	Franklin	@ WCAR® 1646 Westgate Cir, STE #104 Brentwood, TN 37027
April 26, 2012	9 am – 11 am & 1 pm – 3 pm	Southern Middle Tennessee Association of REALTORS®	Lewisburg	Columbia State-Lewisburg Campus 980 S Ellington Pkwy Lewisburg, TN 37091
May 30, 2012	9 am – 11 am & 1 pm – 3 pm	Clarksville Association of REALTORS®	Clarksville	@ CAR® 115 Center Pointe Dr. Clarksville, TN 37040
May 31, 2012	9 am- 11 am & 1 pm – 3 pm	Greater Nashville Association of REALTORS®	Nashville	@ GNAR® 4540 Trousdale Dr. Nashville, TN 37204
July 25, 2012	1 pm – 3 pm	Central West Tennessee Association of REALTORS®	Jackson	@CWTAR® 935 B Old Humboldt Road Jackson, TN 38305
July 26, 2012	9 am – 11 am & 1 pm – 3 pm	Memphis Area Association of REALTORS®	Memphis	@MAAR® 6393 Poplar Avenue, Memphis TN 38187-1159
August 22, 2012	10 am – Noon	Upper Cumberland Association of REALTORS®	Cookeville	@UCAR® 1330B Neal St Cookeville, TN 38501
August 23, 2012	9 am – 11 am & 1 pm – 3 pm	Chattanooga Association of REALTORS®	Chattanooga	@CAR® 2963 Amnicola Hwy, Chattanooga , TN 37406
September 26, 2012	9 am – 11 am & 1 pm – 3 pm	Knoxville Area Association of REALTORS®	Knoxville	@KAR® 609 North Weisgarber Rd Knoxville, TN 37919
September 27, 2012	9 am – 11 am & 1 pm – 3 pm	Northeast Tennessee Association of REALTORS®	Grey	@NETAR® 105 Tri City Business Park Grey, TN 37615

*Times listed reflect the local time of that location.

WWW Education Department Webpage

The TREC Education Department has an enhanced webpage which offers licensees the ability to search for Pre-license, Continuing Education and TREC Core courses more easily. This page will post all information regarding education as well as the TREC seminar schedule and the application packet for course and instructor approval. The most frequently asked questions are also listed under Tips. Please visit this page the next time you are looking for approved schools and courses by visiting the TREC Homepage and finding the Education Department link under the Quick Links box.

NOTIFICATION OF ADDRESS CHANGE and FIRM AFFILIATION

The Commission with the assistance of the Department of Commerce and Insurance has developed a way to change your firm affiliation as well as your home address online. The address is <https://apps.tn.gov/ciupdates>.

TO TRANSFER ONLINE:

1. The new Principal Broker will need to register online to create an account.
2. The transferring licensee will need to get the new Principal Broker to complete the online transfer.
3. The fee shall be paid by the firm and Principal Broker on file with TREC.
4. The new Principal Broker will need the licensee number of the firm and the transferring licensee in order to complete the transaction.
5. Confirmation will be sent via e-mail.
6. An original of the fully executed TREC 1 Form must be sent to TREC by post or courier service within (5) business days of the date of the online submission.
7. The transfer of the affiliated licensee shall be deemed invalid after the 5th business day of the online transfer should TREC not receive the original form and the affiliate shall be placed in broker release status.

TO CHANGE YOUR HOME ADDRESS ONLINE:

1. Visit <https://apps.tn.gov/ciupdates>
2. Register
3. Follow the steps
4. Print a confirmation for your records

TREC Contact Information

(615) 741-2273 or (800) 342-4031

www.tn.gov/commerce/boards/trec

PERSONNEL & AREAS OF RESPONSIBILITY

Administration

Executive Director:

Eve Maxwell

Education Director:

Stephen McDonald

Legal:

Julie Cropp

Administrative Assistance:

Betsy Bowman
Kelly McDermott
Lisa Musgrave

Office Manager:

Dennis Hodges

Board Meetings:

Kelly McDermott

Complaints:

Conell House

Licensing:

Patricia Appleton
Kim Dorris
Gil Dyer
Rachel Fowler
Deborah Malugen
Karen Patton
Richard Thomas
Paula VanBuren

Reception & Records Management:

Ken Spurlock
Linda Wolfert

Errors & Omissions Insurance:

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Rice Insurance Services Company, LLC
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Fax: (502) 897-7174
Web: www.risceo.com

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Looking for the Disciplinary Action Page?

This page has also been placed online and will be updated monthly. Due to changes to reduce cost and the amount of actual disciplinary actions, the reports are now listed at:

http://www.tn.gov/commerce/boards/trec/documents/DAR_Initial_012010.pdf

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 253-7685.

Tennessee Real Estate Commission

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Nashville, Tennessee 37243-1151



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Use your smart mobile device to scan or read the QR Code for the latest TREC Law and Rule changes.

Please make a copy of the changes that became effective June 2010 and place in the back of your latest edition of the Official Manual of the Tennessee Real Estate Commission, 2008 Edition as a pocket card. For online access to Laws and Rules visit

<http://www.tn.gov/commerce/boards/trec/law.shtml> and <http://www.tn.gov/sos/rules/1260/1260.htm>