

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

July 22, 2021

The Louisiana Real Estate Commission held its regular meeting on Thursday, July 22, 2021, at 10:00 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:

COMMITTEE

Lacy Baaheth, Chairman
Matt Ritchie, Vice Chairman
Jeff Free, Secretary
Paula Duncan
Eloise Gauthier
Ted Major
Joseph Pappalardo, Jr.
Patrick Roberts, Jr.

STAFF

Bruce Unangst, Executive Director
Ryan Shaw
Tom Devillier
Malissa Fowler
Telly Hollis
Allison O'Toole
Henk vanDuyvendijk
Mark Gremillion
Debbie DeFrates
Jenny Yu

GUESTS

Kim Callaway – Louisiana REALTORS®
Anna Trimble – Burk Baker School of Real Estate and Appraisal

Commissioners Devillier, Greenup, and Norman were unable to attend the meeting.

Commissioner Major led the invocation; Commissioner Free led the Pledge of Allegiance.

MINUTES

Commissioner Gauthier made motion, seconded by Commissioner Ritchie, to approve the minutes of the meeting of May 20, 2021. Motion passed without opposition.

Commissioner Baaheth thanked Commissioners and staff for supporting ribbon cutting at her grand opening yesterday.

COMMITTEE REPORTS:

1. Budget – Commissioner Free reviewed the budget report with the Commissioners. He stated that the actual year-end budget from this year and the projected budget from last year are available to the Commissioners. He stated that travel costs were down, which he hopes will change this year as travel opens up more, and personnel expenses were up due to merit increases. He stated that license count is maintaining record high numbers.

Commissioner Roberts made motion, seconded by Commissioner Gauthier, to approve the revised budget for fiscal year 2020-2021 and the projected budgets for fiscal year 2021-2022 and 2022-2023. Motion carried with no opposition.

Commissioner Free stated that Ms. Mire sent the Commissioners the Louisiana Compliance Questionnaire for review and approval. Commissioner Gauthier made motion, seconded by Commissioner Major, to approve the Louisiana Compliance Questionnaire as completed. Motion carried with no opposition. Chairman Baaheth and Secretary Free executed the document for approval.

(Attachments B & C)

2. Education/Research/Publication – Commissioner Gauthier stated that next month the Education Committee will meet to review the Mandatory Course submission that will be submitted prior to the next meeting. She asked that the Commissioners review it when sent out and be prepared to discuss it in depth in August. She also stated that she has not heard back from LSU regarding development of a commercial mandatory, but that she will continue to stay in touch with them.
3. Legal/Legislative/Timeshare – Commissioner Ritchie reviewed the status of HB 258 with the Commissioners. He stated that the bill has been signed by the governor. He stated that the Commission will not promote the passing of the bill in order to avoid any confusion, but that beginning in April of 2022 we will begin an aggressive promotion of the new law to inform licensees of the changes to the renewal period.

(Attachment D)

Commissioner Ritchie stated that he attended a meeting regarding timeshares at ARELLO. He stated that he would like to address the Louisiana timeshare laws and potentially clean them up.

4. Standardized Forms – Commissioner Roberts stated that the Commissioners were given both redline and clean copies of the mandatory forms. He stated that these are for the Commissioners' review to discuss at a Standardized Forms Committee meeting in August. He stated that he would appreciate it if the Commissioners would review and come prepared to discuss any necessary changes.

5. Errors & Omissions – Mr. Unangst stated that there was a total of 32 new complaints filed with RISC during the first quarter of the year. He stated that the Commissioners have a document in their packets to renew the Errors and Omissions Insurance plan with RISC.

Commissioner Gauthier made motion, seconded by Commissioner Pappalardo, to renew the RISC policy for January 1, 2022 – January 1, 2023. Motion carried without opposition.

6. Technology – Mr. Unangst stated that staff is working with Pearson VUE to move testing services over from PSI. He stated that the LREC will be hosting an industry day via Zoom on August 10 to answer any stakeholder questions regarding the move to Pearson VUE.

He stated that the process of automating test sign ups and retake applications is going well and should be up and running by the target date of September 1.

He stated that staff has completed development of the digital termination and transfer process and has moved on to the internal testing phase. He stated that after rigorous internal testing, the ability to terminate and transfer license sponsorship will be available in licensees' MyLREC Portals.

DIRECTORS REPORT:

Mr. Unangst commended Commissioner Baaheth on her grand opening yesterday. He also thanked Commissioner Roberts for his hard work on the updating of the mandatory forms. He stated that many important substantive changes have been made that will serve the stakeholders in Louisiana.

He stated that the annual legislative audit is underway and should be completed by September 1. He stated that the Commissioners will see a final report at the September meeting to review.

He updated the Commissioners on the ongoing COVID response at the LREC office. He stated that masks are still optional in the office and that as employees are quarantined if directly exposed.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Mr. Devillier reviewed Case No. 2019-2997 with the Commissioners. He stated that Mr. Bonura failed to report multiple arrests to the LREC. He stated that Mr. Bonura's license has been in an inactive status while the issues have been worked out. He stated that he owes a fine, but can have his license reinstated if the consent order is approved.

Commissioner Roberts made motion, seconded by Commissioner Gauthier, to approve the stipulation and consent order for Case No. 2019-2997: Vincent Joseph Bonura (SALE.99563738-INA). Motion carried without opposition.

Mr. Devillier reviewed Case No. 2021-0566 with the Commissioners. He stated that Mr. Muhammed has been licensed with the LREC three separated times. Mr. Devillier stated that Mr. Muhammed's broker contacted staff with concerns that Mr. Muhammed may have lied on his application to avoid having his background check flag him for his various offenses. He stated that staff has issued an emergency order suspending Mr. Muhammed's license until a formal hearing can be held in August.

Commissioner Ritchie made motion, seconded by Commissioner Roberts, to approve the emergency suspension order 2021-005/continuance for Case No. 2021-0566: Ahmed Muhammad (SALE.995689954-ACT). Motion carried without opposition.

Mr. Devillier reviewed Case No. 2021-0565 with the Commissioners. He stated that the LREC received notice that Mr. Beckham was imprisoned. He stated that the emergency suspension order would prevent Mr. Beckham from practicing real estate until more information can be gathered regarding his case.

Commissioner Roberts made motion, seconded by Commissioner Gauthier, to approve the emergency suspension order 2021-004/continuance for Case No. 2021-0565: David Scott Beckham (BROK.912123349-ACT). Motion carried without opposition.

Mr. Unangst stated that there was a good representation of the Louisiana real estate contingent at the ARELLO Mid-Year Meeting. He stated that his observation was that Louisiana is doing a great job of staying forward-leaning on issues facing the real estate industry.

He stated that ARELLO leadership positions are available and that the sooner Commissioners seek out these positions, the better. He stated that volunteering for committees and joining the district board are good moves to make earlier in a commissioner's term.

Commissioner Major stated that love letters seems to be an emerging issue that the Commission may need to address. He stated that he heard a lot about this issue at the ARELLO conference and thinks it could become an issue that the Commission should keep an eye on.

Commissioner Roberts stated that he does see love letters in the New Orleans market, but that he thinks this will go away as the market calms down. He also stated that he heard a lot about wholesaling at the conference and believes that this is an issue that needs to be watched.

Chairman Baaheth stated that the other issue she heard about a lot at the conference was escalation clauses where buyers can put in a bid of X amount more than the highest offer. She stated that this could become an issue over time as this competitive offer style could cause problems.

Mr. Devillier stated that the most complaints he receives regarding any of those three topics are regarding wholesaling. He stated that there has not been much response to the love letter issue anywhere other than Oregon at this time and that he is keeping an eye on it but does not see much room for action on the issue. He stated that he has received a few inquiries regarding escalation clauses but is hesitant to take any action as it could result in accusations of price fixing.

EXECUTIVE SESSION

None

There being no further business, Commissioner Roberts made motion, seconded by Commissioner Gauthier, to adjourn. Motion passed without opposition.

LACY BAAHETH, CHAIRMAN

JEFF FREE, SECRETARY