

**MINUTES OF MEETING**  
**OF**  
**LOUISIANA REAL ESTATE COMMISSION**

**April 19, 2018**

The Louisiana Real Estate Commission held its regular meeting on Thursday, April 19, 2018, 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**

Richman Reinauer, Vice Chairman  
Deanna Norman, Secretary  
Lacy Baaheth  
Jeffrey Donnes  
Jeff Free  
Eloise Gauthier  
Rodney Greenup  
Matt Ritchie  
Patrick Roberts, Jr.  
Evelyn Wolford

**STAFF**

Bruce Unangst, Executive Director  
Arlene C. Edwards, Legal Counsel  
Summer Mire  
Ryan Shaw  
Mark Gremillion  
Damien Smart  
Dusty Evans  
Debbie DeFrates  
Robert Maynor  
Henk vanDuyvendijk  
Telly Hollis  
Jenny Yu

**GUESTS**

Kim Calloway – Louisiana REALTORS  
Roy Ponthier – ProEducate  
Tim Tullos – Keller Williams Realty  
Lisa Baker – Burk Baker School of Real Estate and Appraisal  
Burk Baker – Burk Baker School of Real Estate and Appraisal  
Brent Lancaster – Bob Brooks School & Insurance, Inc.  
Ryan Cross – Multiply Marketing

Chairman Hebert was unable to attend the meeting

Commissioner Reinauer led the Invocation; Chairman Norman led the Pledge of Allegiance.

**CALL TO ORDER**

Meeting was called to order at 10:35 a.m.

**MINUTES**

Commissioner Gauthier made motion, seconded by Commissioner Ritchie, to approve the minutes of the meeting of March 15, 2018. Motion passed without opposition.

(Attachment A)

**COMMITTEE REPORTS:**

1. Budget – Commissioner Reinauer reviewed the budget report with the Commissioners. He stated that the Commission is at an all time high for licensees in the state. Personnel costs and operating expenses have increased due to retirement costs, etc. The E&O payment has been paid to Rice Insurance but it is merely a pass through. Excess revenue over expenditures are \$216,000.00.

(Attachment B)

2. Education/Research/Publication – Commissioner Gauthier stated that the Commissioners were given an outline for the 2019 Mandatory Course. Mr. Unangst stated that the Education Committee did a lot of work on the document Commissioner Gauthier handed out. Mr. Unangst stated that the Commission writes and provide the outline and puts out a Request for Proposal for development of the course.

Commissioner Wolford made motion, seconded by Commissioner Donnes to approve the 2019 Mandatory Outline. Motion carried with no opposition.

(Attachment C)

Commissioner Gauthier stated that the Commissioners need to decide who will be allowed to teach the course. Mr. Gremillion suggested that it be subject matter experts. Commissioner Gauthier stated that she agreed that it should be subject matter experts and the vendor can chose the individuals allowed to teach as long as they have completed Train the Trainer.

Commissioner Gauthier brought the commissioners attention to the 2019 Broker Mandatory Course outline. After review and discussion, Commissioner Gauthier made motion, seconded by Commissioner Roberts, to approve the 2019 Broker Mandatory outline. Motion carried without opposition.

Commissioner Gauthier stated that the Commissioners also needed to decide how the 2019 Broker Mandatory course will be allowed to be taught. Ms. Calloway stated that she has heard

feedback from some legislators that they would like to see the course offered in an online format to allow them an opportunity to complete it without attending a live course.

Mr. Unangst stated that he believes that requiring the first Broker Mandatory to be taken in a live classroom format was good and that he received good feedback, but that he believes it would be better to offer it in more formats going forward.

Commissioner Donnes made motion, seconded by Commissioner Wolford, to allow live classroom, virtual live classes, and online class formats for the 2019 Broker Mandatory course. Motion carried without opposition.

Commissioner Gauthier stated that the Commissioners need to make a decision on who will be allowed to teach the 2019 Broker Mandatory course. Ms. Edwards stated that according to the rules, a Train the Trainer course is required to be able to teach a mandatory course. Discussion took place on what type of Train the Trainer should be taught since each vendor will create their own broker mandatory course based off of the outline given. Mr. Lancaster suggested that the Commission offer a sort of roundtable Train the Trainer course that would formulate discussion and key points regarding the broker mandatory. Mr. Unangst stated that this is a good idea and something that could be done. It would need to be offered to active brokers.

Commissioner Gauthier made motion, seconded by Commissioner Wolford that active brokers who attend the Train the Trainer course will be allowed to teach the 2019 Broker Mandatory Course. Motion carried without opposition.

Commissioner Gauthier discussed with the commission the issue of PSI Testing Services offering a sample test for a fee on their website. They are soliciting the practice exam to licensees that sign up to take the test. She stated that the test is outdated. A representative from PSI told her at the ARELLO convention that they could take down the practice exam if the Commission wished them to do so. Mr. Unangst stated that the only real value of the exam is to give the licensee the idea of the format that the test is given. Commissioner Gauthier asked for the vendors' opinions that were present. Mr. Lancaster stated that he felt it was a conflict of interest for PSI to offer an exam for sale when they are the vendor selected by the Commission to administer the test. When the prospective licensee fills out the testing application, there is a preselected box giving permission to PSI to solicit them with the purchase of a practice exam. The student thinks that they are getting the test questions that will be on the test so they purchase the practice test. Mr. Baker agreed that he felt it was a conflict of interest.

Commissioner Donnes made motion, seconded by Commissioner Gauthier, to request that PSI stop offering the sample exam for purchase.

Vice-Chairman Reinauer asked if it helps or hurts the applicant. Or, does the commission believe that it is a conflict of business interest?

Ms. Edwards stated that her legal opinion is that the Commission does not have the right to tell PSI that they cannot offer a sample exam for purchase. Mr. Lancaster feels that because the Commission is contracted with PSI to administer the exam, they can make the decision on whether they offer the practice exam for sale or not. Commissioner Wolford stated that she

would like to see PSI make a disclaimer on the practice test that the questions given are not on the exam and are just sample questions to be familiar with the testing format.

After a roll call vote, the motion failed to carry with a vote of 4 in favor and 5 voting in opposition.

Commissioner Gauthier gave a report on the ARELLO meeting. She stated she was pleasantly surprised that Louisiana's education requirements were much further along than other states at ARELLO. She stated that LA has more education requirements than most states for pre-licensing and CE classes. Most states require 30-45 hours of pre-licensing and those that do have less than a 50% passage rate on exams. Post licensing on average is 18-30 hours with six months to three years for completion. CE averages about 7 hours per year.

She said that complaints are increasing in almost all states. Most of the complaints are regarding property management as well as advertising and broker supervision. She noted an interesting point that she heard regarding felony applicants. Most states tell the applicant that they will most likely not be approved. Oregon and Hawaii are most likely to reject.

3. Legal/Legislative/Timeshare – Commissioner Ritchie stated that the Legal/Legislative/Timeshare Committee met prior to the Regular business meeting. The committee made the following motions at the meeting:

Commissioner Ritchie made motion to have Ms. Edwards and Ms. Calloway develop a sample property management agreement. Motion carried without opposition.

Commissioner Ritchie made motion to forward the development of property management rules to the Legal/Legislative Committee. Motion carried without opposition.

Commissioner Ritchie made motion that if there is a sign on a physical location where real estate activity is conducted, whether it is for a team or an individual, it must be registered as a branch office. This is currently what is required by law/rule therefore no vote was taken.

4. Standardized Forms – Commissioner Roberts stated that the Standardized Forms Committee will meet at the LREC office on May 1. He stated that Ms. Shaw has been gathering comments for the Commissioners to review at the Committee meeting. He stated that he does not believe that there will be any major changes. If any commissioners receive any comments, they may be forwarded to Ms. Shaw for inclusion in the comment packets.
5. Strategic Planning – This report was moved to the beginning of the Committee Reports section of the meeting. Mr. Cross gave a presentation on the services offered by his company, Multiply Marketing, to the Commissioners. He discussed social media strategies that the Commission can utilize in social media marketing.

The Commission asked that Mr. Unangst get with Mr. Cross to develop a LREC-specific proposal to present to the Commissioners at the next meeting.

Commissioner Baaheth stated that Ms. Shaw would be giving a technology update later in the meeting to review the new website progress. She stated that the Education Committee will

meet following the Regular Business Meeting to discuss post licensing education. She stated that former Commissioner Lynda Nugent Smith will remain a member of the Best Practices taskforce to help move those discussions along.

6. Errors & Omissions – No report
7. Technology – Commissioner Donnes asked Ms. Shaw to give an update on the progress of the new website. Ms. Shaw gave a presentation of the progress made on the website. She showed the Commissioners various pages of the site to give them an idea of how the site will function and flow. She stated that it should take about two to three weeks to finish the migration of data over to each website page. Once the website is complete, she will send the link to staff to beta test with a deadline. She will then send to Commissioners for their review as well along with a deadline. She also stated that the website will be mobile friendly but there will not be an app as they are too difficult and costly to constantly update.

**DIRECTORS REPORT:**

No report

**PUBLIC COMMENT:**

None

**UNFINISHED BUSINESS:**

None

**NEW BUSINESS:**

Commissioner Roberts stated that he has been alerted to a trend in his area of possible violations of rule 3901. He stated that many agents are delaying the presentation of offers in direct opposition to rule 3901. They will state in the listing that if any offers are sent over the weekend that they will not be presented until Monday. Mr. Maynor stated that if anyone complained about this issue, he would ask the buyer to show when the offer was signed and the agent to show when the offer was presented and annotated. Ms. Edwards stated that it is difficult to define the term “immediately” or “timely”. Mr. Lancaster noted that the fact that presentation and annotation of offers is included in the upcoming mandatory course is very timely and will be good discussion. Commissioner Roberts stated that he sees this as a growing issue and wanted to bring it to the Commission’s attention.

**EXECUTIVE SESSION**

None

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

\_\_\_\_\_  
RICHMAN REINAUER, VICE CHAIRMAN

\_\_\_\_\_  
DEANNA NORMAN, SECRETARY