

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

February 19, 2015

The Louisiana Real Estate Commission held its regular meeting on Thursday, February 19, 2015, 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:

COMMISSION

James Gosslee, Chairman
Lynda Nugent Smith, Vice Chairman
Evelyn Wolford, Secretary
Paul Burns
Jeffrey Donnes
Kelly Ducote
Steven Hebert
Richman Reinauer
Cynthia Stafford
Frank Trapani

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire
Debbie Defrates
Mark Gremillion
Robert Maynor
Chad Mayo
Stacy Sharpe
Ryan Shaw
Marsha Stafford
Sara Wheeler
Jenny Yu

GUESTS

Burk Baker – Burk Baker School of Real Estate & Appraisal
Lisa Baker – Burk Baker School of Real Estate & Appraisal
Brei Delahousse – Louisiana REALTORS
Chris Donaldson – Donaldson Real Estate School
Amy Fennel – Latter & Blum
Thomas Fields
Brent Lancaster – Bob Brooks School of Real Estate
Roy Ponthier – ProEducate
Tim Tullos

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

MINUTES

Commissioner Trapani made motion, seconded by Commissioner Nugent Smith, to approve the minutes of the meeting of January 15, 2015. Motion passed without opposition.

PERSONAL APPEARANCES

1. Governor Edwin Edwards - appeared in connection with his request to re-obtain a real estate license. Governor Edwards was previously licensed as a broker from September 12, 1977 through December 31, 2001. On January 9, 2001, Governor Edwards was found guilty of the following violations: Racketeer influenced and corrupt organization; racketeer influenced and corrupt organization conspiracy; conspiracy to extort; extortion; money laundering conspiracy. Edwards was sentenced to serve 120 months at hard labor to be served concurrently. Edwards was ordered to pay special assessment of \$850.00 and a fine of \$250,000.00. He was placed on supervised release on July 6, 2011. On February 6, 2013, Governor Edwards was granted early termination of a five year supervised release.

After answering questions from the Commission, Commissioner Stafford made motion, seconded by Commissioner Wolford, to allow Governor Edwards the opportunity to sit for the real estate exam to re-obtain his real estate license. Motion carried with Commissioners Trapani and Donnes voting in opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford reviewed the budget report. She stated that operating and supply costs are down and revenue is up due to renewals. Licensee count is still going up.

(Attachment A)

2. Education/Research/Publication – Commissioner Trapani stated that the Education committee met prior to the meeting. A task force was formed to discuss issues on continuing education to include an updated CE Course Topic Approval list as well as the 2016 mandatory topic.
3. Legal/Legislative/Timeshare – No report.
4. Standardized Forms – Commissioner Ducote stated that there was no report. Commissioner Trapani stated that he forwarded Mr. Unangst some amendments that were being used in the New Orleans area for the buy/sell agreement. He asked if this was considered a violation as they were substituting the entire contract with an amendment. An addendum by legal definition makes it a part of the original agreement. This is perfectly acceptable in contract law. Any licensee can add an addendum to the purchase agreement with the agreement of the buyer/seller. Ms. Edwards stated that a licensee has the right to make addendums but they can NOT replace the entire agreement. That would circumvent the law. Commissioner Trapani stated that brokers are taking out the current financing section and replacing it with their own language for every contract that they write. Commissioner Hebert stated that this was very common practice for REO companies. Commissioner Wolford stated there is no distinct line in the sand. The finance portion of the contract wasn't working and the language was changed. Everyone is looking for protection for the sellers. She stated that everyone knows that you can't do business with Bank of America without using their forms. Commissioner Trapani stated that it is the responsibility of the licensee to understand the purchase agreement.
5. Strategic Planning – Commissioner Wolford stated that the Commission will have the Strategic Plan to review next month. There is no timeline currently for the strategic plan so she asked that everyone review their emails and sets times for each task before the next meeting.
6. Errors & Omissions – No report.
7. Technology – No report. Commissioner Hebert stated that the Technology Committee will begin after the Strategic Plan is reviewed.

DIRECTORS REPORT:

Mr. Unangst reported that the licensee count is the highest it has been in the last three years. He reported that the building will be paid off this year. Professional services increases due to the contract made with an LSU consultant for the Strategic Plan meetings as well as an increase in work by

contractor Skip Sharrer for new licensing software. A 4% merit increase was also granted to employees that received satisfactory ratings.

Mr. Unangst stated that Facility Planning finally settled with the builder and architect regarding the building repairs. The soil under the building has stabilized and the engineer feels repairs can now be made on the building. LREC will receive settlements checks for around \$150,000.00 to be used on the building repairs. There are adequate funds for the repairs which will include drainage and concrete work, bracing of wall partitions, and repairs and painting of all offices.

Chairman Gosslee suggested that staff members be introduced at a future meeting so that Commissioners can have a face to a name for each employee.

Mr. Unangst noted that previous discussion was had on the Sewer/Water Addendum. This form is a recommended form and not a mandatory form.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Commissioner Trapani made motion, seconded by Commissioner Reinauer, to approve the CCIM "Creating Reliable Valuations" course as an alternative option to the mandatory course. Motion carried without opposition.

Commissioners inquired of Act 809 which limited the powers of the Commission when denying a license based on a felony conviction. In the upcoming legislative session, the Commission has proposed that they be added to the list of agencies exempted from complying with this new act. Commissioner Hebert asked if the Commission should be denying people based on the probation status. Ms. Edwards stated that any the Commission cannot deny anyone based on their probation status. Their conviction must fit under the terminology listed on Act 809 to be seen by the Commission until such time that the Commission is added to the list.

EXECUTIVE SESSION

None

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

JAMES GOSSLEE, CHAIRMAN

EVELYN WOLFORD, SECRETARY