

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

**May 25, 2017**

The Louisiana Real Estate Commission held its regular meeting on Thursday, May 25, 2017, 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:

**COMMITTEE**

Evelyn Wolford, Chairman  
Steven Hebert, Vice Chairman – arrived at 9:04 a.m.  
Richman Reinauer, Secretary  
Lacy Baaheth  
Kelly Ducote  
Jeff Free  
Eloise Gauthier  
Deanna Norman  
Patrick Roberts, Jr. – left at 10:40 a.m.

**STAFF**

Bruce Unangst, Executive Director  
Arlene C. Edwards, Legal Counsel  
Summer Mire  
Ryan Shaw  
Mark Gremillion  
Robert Maynor  
Chad Mayo  
Henk vanDuyvendijk  
Nikki Sengegal  
Malissa Fowler  
Telly Hollis  
Debbie DeFrates  
Dusty Evans  
Jenny Yu  
Kayla Robinson

**GUESTS**

Norman Morris – Louisiana REALTORS  
Roy Ponthier – Pro Educate  
Ricky Tucker – EXP Realty  
Jimmy Gosslee – Caldwell Banker  
Amy Fennel I - Louisiana REALTORS  
Lisa Baker – Burk Baker School of Real Estate and Appraisal

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Chris Donaldson – Donaldson Educational Services

Commissioners Donnes and Nugent Smith were unable to attend the meeting.

Commissioner Gauthier led the Invocation; Commissioner Norman led the Pledge of Allegiance.

Chairman Wolford recognized former Commissioner Jimmy Gosslee and presented him with a plaque recognizing his years of service to the LREC. Mr. Gosslee thanked the staff for their work assisting the Commission.

### **MINUTES**

Commissioner Hebert made motion, seconded by Commissioner Ducote, to approve the minutes of the meeting of April 20, 2017. Motion passed without opposition.

(Attachment A)

### **COMMITTEE REPORTS:**

1. Budget – Commissioner Reinauer reviewed the budget report with the Commissioners. He brought the Commissioners attention to the statement of revenue and expenses for the period ending April 30, 2017. He stated that the actual revenue is up due to the increase in licensees. He stated that operating costs are down due to a decrease in insurance premiums. He stated that the budget is in good shape. He reminded the Commissioners that expense reports must be turned in prior to the end of the fiscal year (June 30<sup>th</sup>).

(Attachment B)

2. Education/Research/Publication – Commissioner Gauthier brought the Commissioners attention to the draft of the 2018 mandatory course, Ten Ways to Lose Your License. She stated that, in an effort to make the course more interesting the outline incorporates more case studies. She stated that the Commissioners can take the next month to review the outline before voting. Commissioner Reinauer stated that he would like the month to review prior to voting. Mr. Unangst expanded on Commissioner Gauthier’s comments, stating that previous drafts have all been too academic and boring. He stated that the draft in its current form still contains all of the information, but in a more practical and relatable format.

Mr. Unangst reviewed the timeline with the commissioners. He stated that the approval of the outline in the upcoming months would keep the timeline on track to give a vendor time to develop a quality course. Commissioner Norman stated that she would like to see information on providing copies of documents to everyone involved in the sale. Mr. Unangst stated that those are the types of discussion points he wants the commissioners to come back with next month to help develop this outline.

Commissioner Gauthier opened the floor for discussion of who should be able to teach the course. Commissioner Baaheth stated that she believes that brokers and attorneys should be able to teach the course. Ms. Defrates stated that not all brokers are active. Commissioner

Hebert asked for clarification on how someone becomes an instructor. Mr. Unangst stated that vendors are those who offer the courses and instructors are those individuals hired and approved by the vendor.

Commissioner Gauthier stated that approximately one quarter of all licensed brokers have completed the 2017 Broker Mandatory.

Commissioner Gauthier made motion, seconded by Commissioner Norman, that there be a waiver for active brokers who qualify to teach the 2017 Broker Mandatory but did not complete the Instructor Workshop Development due to timing of the completion of the course.

Mr. Unangst explained that the timeline of the development of the Broker Mandatory course resulted in many not taking the IDW because of the timing. He stated that allowing more active brokers to teach the course will greatly expand the number of courses that can be offered. Chairman Wolford stated that there are very few individuals willing to teach this course and that waiving the IDW requirement will help increase course offerings. She stated that the course was not developed until after the IDW had been held, resulting in many qualified brokers missing the course.

After discussion, motion passed without opposition.

3. Legal/Legislative/Timeshare – Chairman Wolford stated that Commissioner Nugent Smith could not be present and asked that her report be deferred to next month. Mr. Unangst stated that he and Commissioner Nugent Smith have had discussions regarding compensation. He stated that staff recently brought his attention to an issue with licensee transfers. He stated that in the last year there were over 1,900 transfers to new brokers. He stated that there is an issue with section 1805 of the new Chapter 18 rules related to broker responsibilities. He stated that the language in 1805.A gives brokers the ability to allow someone other than themselves to take in money at the closing table with written permission. He stated that if this was not the intent of the commission, the members can vote to change the rule.

Commissioner Reinauer asked how this rule was passed. Mr. Maynor stated that the rule draft was given to the commission at the November 2016 meeting for review and was voted on and passed unanimously at the December 2016 meeting. Commissioner Reinauer asked Mr. Maynor for an example of how this could become an issue. Mr. Maynor stated that there could be a case of a licensee who moved from one broker to another completing a sale while with their new broker that was initiated with their prior broker, which could cause issues with disbursement of funds.

Ms. Edwards stated that she also does not recall the language being drafted and knows that she did not draft it. She stated that the language could be changed to streamline the process to reflect the will of the commission. She stated that it might be a good idea to send this issue to the Legal/Legislative Committee.

Mr. Unangst asked Ms. Edwards if there was any option to put the rule on hold while this debate occurs. She stated that because it is a rule there is no way to ignore it, but that the commission has the option of choosing not to charge anyone for violations of the rule.

Mr. Unangst stated that other states do allow the practice as a convenience for the agent. He stated that it is a policy matter that should likely be reviewed by the Legal/Legislative Committee.

Commissioner Reinauer made a motion, seconded by Commissioner Ducote, to forward this issue to Legal/Legislative for discussion and to make a recommendation to the commission.

Mr. Tucker stated EXP currently issues split checks at the closing table. He stated that this law was written a long time ago and is not fitting for the way that the business functions now. He requested that the rule be left as written. Commissioner Hebert agreed with Mr. Tucker and asked his fellow commissioners how this would harm the public. Mr. Reinauer stated that the system that we have always had is simple and it works and that this change would only create immediate gratification for the agents. He stated that even though there is no issue to fix it does not mean that the commission should change how the policy has worked. Commissioner Hebert stated that this is in direct contradiction with what the commission discussed in their strategic planning session last month. He stated that this rule pushes back against allowing the industry to grow and change with the times.

Commissioner Baaheth stated that she feels like this rule takes responsibility off of the broker, which is the opposite of what the commission has been pushing for. Commissioner Hebert stated that he believes that this issue is more about the competition of different business models and not the protection of the consumers.

After discussion, the motion carried with Commissioner Hebert voting in opposition.

Mr. Unangst brought the commissioners' attention to section 1801.D of Chapter 18: Broker Responsibilities regarding escrow accounts. A new current practice that some brokers are allowing is the holding of escrow deposits by title companies instead of the broker. This issue needs to be addressed and determined if the public is being harmed when escrow disputes arise.

Chairman Wolford stated that this issue is harming the public because they are losing money with little to no recourse. She stated that this is a RESPA violation and is committed every day. Mr. Unangst stated that he believes that this is another issue that should be forwarded to the Legal/Legislative Committee for discussion.

Commissioner Hebert stated that he believes that this is a free market issue and that you cannot require certain individuals to hold money. Chairman Wolford stated that this could perhaps be fixed by editing the purchase agreement. Mr. Maynor stated that he does not believe that changing verbiage will fix the issue. Commissioner Hebert stated that he believes that the deposit amount should be either \$0 or \$10,000 to make sure that it is an issue that the person making deposit would fight for. Chairman Wolford stated that it cannot be \$0 because then there is nothing tying the buyer to the sale.

Mr. Baker stated that twenty years he wrote a letter to then-Hearing Examiner R.C. McCormick asking if he could close his escrow account because he did not take in money. He was granted permission to close the account. He stated that there are a lot of brokers who do not take funds so they do not have accounts. Ms. Edwards stated that the commission has always allowed this.

4. Standardized Forms – Commissioner Norman asked if the commission has ever considered creating a standardized listing agreement. Commissioner Hebert stated that the listing agreement should never be standardized as it is the key piece of competition in the industry.
5. Strategic Planning – Commissioner Ducote thanked the commissioners who attended the strategic planning session last month. She stated that Ms. Mire and Ms. Shaw met with SSA consultants and are working on a draft, which will be completed in June for the commissioners’ review.
6. Errors & Omissions – Commissioner Norman stated that the Request for Proposal has been issued and bids are due back in a couple of weeks. Mr. Unangst stated bids are due back by June 13. He stated that all bids will be reviewed by staff and Commissioner Norman and then presented to the commission at the June meeting. He stated that the contract is awarded to the qualified company with the lowest bid. Mr. Unangst stated that he suspects that there will be two bidders, but cannot be sure.
7. Technology – None.

**DIRECTORS REPORT:**

Mr. Unangst stated that the graphics for the website are completed, but that, due to his unhappiness with the vendor out of Houston, the installation of the website has been delayed due to the departure of Jeremy Endicott in the IT department. Mr. Unangst stated that the IT position has been posted multiple times without finding a candidate willing or qualified to take the job. He stated that the position has been reallocated to a director level, which he hopes will lead to finding a good candidate.

Mr. Unangst stated that Mr. Gosslee’s comments earlier motivated him to recognize staff who are doing additional duties. He stated that Ms. Mire and Ms. Shaw have been covering IT duties, Mr. Gremillion, Ms. DeFrates, and Ms. Angela Moncrieffe have been filling in to cover the duties of an open position in the licensing division.

Mr. Unangst stated that Ms. Senegal and Mrs. Fowler have been completing outreach programs throughout the state, educating licensees on advertising laws and rules. Mr. Unangst stated that staff was not given any monetary increases last year and they still completed their jobs despite knowing that they would not receive any merit increase.

**PUBLIC COMMENT:**

Mr. Morris stated that he wanted to make the commissioners aware of a new rule FEMA released requiring individuals who have received any money from FEMA to carry flood insurance. He stated that this could affect the language of the disclosure. He stated that he and attorney Patty McMurray will review the law to ensure the language says what they believe and will come back with a summary so that the commission can make decisions about the disclosure.

**UNFINISHED BUSINESS:**

None

**NEW BUSINESS:**

Commissioner Reinauer made motion, seconded by Commissioner Gauthier, to approve the stipulation and consent orders for Case No. 2016-556: Jamika Rogers (C.E. 3<sup>rd</sup> Time Offender), Case No. 2016-1104: Carlos Cato (C.E. 3<sup>rd</sup> Time Offender), and Case No. 2012-1434: Ron Douglas (Post License Course Offender). Motion passed without opposition.

(Attachment C)

**PERSONAL APPEARANCES:**

The following people are appearing in connection with their request to obtain a real estate license: (Please see official transcript for complete minutes):

1. 2017-126 Frank Billiot – Commissioner Gauthier made motion, seconded by Commissioner Hebert, to approve Mr. Billiot’s request to obtain a real estate license. Motion carried without opposition.
2. 2017-196 Mary C. Boudreaux – Commissioner Hebert made motion, seconded by Commissioner Reinauer, to approve Ms. Boudreaux’s request to obtain a real estate license. Motion carried without opposition.
3. 2016-1311 Wayne Cresap - Commissioner Reinauer made motion, seconded by Commissioner Free, to approve Mr. Cresap’s request to obtain a real estate license. Motion failed to carry 3-4-1 with Commissioners Ducote, Baaheth, Norman and Wolford voting in opposition and Commissioner Hebert abstaining from the vote (he was not present during the testimony).
4. 2017-214 Kristin David - Commissioner Hebert made motion, seconded by Commissioner Reinauer, to approve Ms. David’s request to obtain a real estate license. Motion carried 6-1 with Commissioner Ducote voting in opposition.
5. 2017-227 Nicholas Dewolf – Commissioner Reinauer made motion, seconded by Commissioner Gauthier, to approve Mr. DeWolf’s request to obtain a real estate license. Motion carried without opposition.
6. 2017-137 Wesley Gabb - Commissioner Hebert made motion, seconded by Commissioner Reinauer, to approve Mr. Gabb’s request to obtain a real estate license. Motion carried 6-1 with Commissioner Norman voting in opposition.
7. 2017-215 Ava Goings – Commissioner Hebert made motion, seconded by Commissioner Reinauer, to approve Ms. Going’s request to obtain a real estate license. Motion carried without opposition.

8. 2017-226 Paul Hunter - Commissioner Reinauer made motion, seconded by Commissioner Hebert, to approve Mr. Hunter's request to obtain a real estate license. Motion carried 6-1 with Commissioner Ducote voting in opposition.
9. 2017-306 Ryan Meyers - Commissioner Reinauer made motion, seconded by Commissioner Hebert, to approve Mr. Meyers' request to obtain a real estate license. Motion carried 4-3 with Commissioners Gauthier, Ducote, and Norman voting in opposition.
10. 2015-168 Shanda Moore – Commissioner Hebert made motion, seconded by Commissioner Reinauer, to approve Ms. Moore's request to obtain a real estate license. Motion carried without opposition.
11. 2017-125 Shawana Parker - Commissioner Reinauer made motion, seconded by Commissioner Baaheth, to approve Ms. Parker's request to obtain a real estate license. Motion failed to carry 3-4 with Commissioners Gauthier, Ducote, Hebert and Free voting in opposition.
12. 2017-10 Nofio Pecoraro - Commissioner Reinauer made motion, seconded by Commissioner Free, to approve Mr. Pecoraro's request to obtain a real estate license. Motion failed to carry 5-2 with Commissioners Gauthier, Ducote, Baaheth, Hebert, and Norman voting in opposition.
13. 2017-31 Duy (Joseph) Vu - Commissioner Reinauer made motion, seconded by Commissioner Gauthier, to approve Mr. Vu's request to obtain a real estate license. Motion carried 5-2 with Commissioners Ducote and Hebert voting in opposition.
14. 2017-195 Dale Williams – Commissioner Hebert made motion, seconded by Commissioner Gauthier, to approve Mr. Williams's request to obtain a real estate license. Motion carried without opposition.
15. 2016-1321 Darrious Wright– Commissioner Ducote made motion, seconded by Commissioner Baaheth, to approve Mr. Wright's request to obtain a real estate license. Motion carried without opposition.

#### **EXECUTIVE SESSION**

None

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

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EVELYN WOLFORD, CHAIRMAN

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RICHMAN REINAUER, SECRETARY