



# BOUNDARY LINES

Fourth Quarter 2016 Volume 49, No. 3

## Chair's Corner



### The Question of Teams

Teams, groups or any manner of multiple alliances within a real estate firm are multiplying in the industry. As this phenomenon has grown, so has the confusion for brokers, agents and the unsuspecting public.

In the years leading up to independent and interdependent brokerages and/or franchises, the business of real estate was a fairly straightforward model. There was a broker who held individuals licenses, provided service such as signs, advertising, office space, phone and equipment services. All calls were made directly to the office and fielded by agents who signed up or "earned" the right to answer the inquiries on behalf of the broker. In return for the opportunity to represent the broker in a listing or sales transaction, the commission earned was split on an equal or nearly equal basis. That was the business model for many years.

Enter the '80s and '90s and different business models began to emerge. Within those models the concept of agents paying for their own advertising as well as for their work space, etc. was born. Depending on many factors, licensees received more of the commission dollars and the concept of teams came to pass. Phone numbers of these agent groups popped up on signs and calls went directly to them instead of to the brokerage office. Agency and representations became a bit more challenging to the public as well.

As agents affiliated with one another to provide specialized services within firms, marketing and competition for business has become increasingly complicated. Brokers company dollars have decreased as the splits/fees to agents have increased. It is no wonder that brokers who are still responsible for their agents actions are concerned about teams of licensees who may be more compelled to satisfy their "team leader" than their sponsoring broker or manager.

Just imagine how bewildering these alliances are to the public. Often times it is hard to disquish the firm (and ultimately responsible party) from a team or even an individual agent with a good marketing budget. Advertising for clients has oftentimes been primary with the real estate laws becoming secondary.

The number one topic at the recent ARELLO meeting was the subject of teams and license laws/rules and regulations that can help the public more clearly understand that a firm and a team are not one and the same. This subject is on the radar of each and every state.

*Lynda Nugent Smith*

**Lynda Nugent Smith, Chair**

# LR&C Holiday Office Closures

By order of Governor John Bel Edwards, the Louisiana Real Estate Commission Office will be closed on **Friday, December 23** and **Monday, December 26** for the Christmas holiday. We will also be closed on **Monday, January 2** in observance of the New Year holiday.

## Licensing

### There is No Grace Period: Delinquent Renewals

As a licensee, remembering to renew your license is of utmost importance. Your license is what allows you to buy, sell, and manage real estate on behalf of others in Louisiana. Having your license lapse officially removes those rights from you immediately. As it stands, there is no grace period for renewal. After midnight on December 31 your license expires.

At that point, licensees are prohibited from practicing real estate for a commission or fee. Licensees still have until March 31 to renew their license, though delinquent fees do apply.

When a licensee continues to practice real estate after failing to renew their license on time they are violating Louisiana License Law. If an agent's sponsoring broker pays an unlicensed person commissions without verification of their license status they are violating Louisiana License Law. These violations of the law leave agents and brokers subject to censure, suspension/revocation, fines, or requirement of additional education.

Don't risk your license, renew on time!

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## Rule Change Regarding Initial Broker Licensure

Effective November 20, 2016, the Louisiana Real Estate Commission (LREC) has updated the Documentation section of Chapter 3: Initial License Application of its Rules and Regulations.

The new portion of the rule states that applicants for an initial individual real estate broker license shall provide proof that they have been licensed as an active real estate licensee for four years, with two of the four years occurring immediately preceding submission of a broker license application.

All other existing requirements for broker application are still in place and can be viewed on our website [here](#).

The LREC Rules and Regulations can also be viewed on the website [here](#).

# Education Corner



## 2017 Mandatory Course Topics and Requirements

The Louisiana Real Estate Commission (LREC) approved two mandatory topics for 2017. The titles of the two courses are:

*Insurance Awareness and Contract Timelines – 2017 Mandatory*  
*Broker Responsibility - 2017 Broker Mandatory*

In 2017, as part of the annual continuing education, all brokers and salespersons are required to complete the mandatory course titled, *Insurance Awareness and Contract Timelines – 2017 Mandatory*. In addition, the LREC is requiring brokers to complete a separate mandatory course titled, *Broker Responsibility - 2017 Broker Mandatory*. **The 2017 Broker mandatory course will only be offered in a live classroom format.**

While a Salesperson will only be required to complete the four-hour mandatory course, *Insurance Awareness and Contract Timelines – 2017 Mandatory*; brokers on the other hand, will be required to complete both four-hour mandatory course topics in order to satisfy the mandatory portion of the continuing education requirement.

## Investigator's Desk

The Investigation Division issued 32 citations during this time period. The list below outlines the specific violations cited. Some citations were issued for multiple violations:

1909.A. - Team Advertising Violations	4
2501.A. - Failure To Identify Listing Broker in Advertisement	8
2501.B. - Failure To Place Broker's Phone No. in Advertisement	16
2501.D. - Failure to Advertise as Licensed(Name or Brokerage)	3
2509 - Advertising Violations by Franchises	4
2515.C.3 - No City, State, Country in Website Advertisement	3
2515.C.4 - No Jurisdiction Shown in Website Advertisement	5

# June - December 2016 Informal Hearings

Informal adjudicatory hearings conducted by the Louisiana Real Estate Commission resulted in the following sanctions of real estate brokers and salespersons:

**Janine Z. Raymond**, a Salesperson in Covington, was censured and ordered to pay a fine in the amount of \$1,500.00 for directing commissions to an unlicensed person in violation of LSA-R.S. 37:1446.C. The Consent Order was approved at the Commission meeting held on October 20, 2016.

**Ryan C. Haro**, a Salesperson in New Orleans, was censured and ordered to pay a fine in the amount of \$1,500.00 for failing to complete the continuing education requirement in violation of LSA-R.S. 37:1437.C.(6)(a)(i). The Consent Order was approved at the Commission meeting held on October 20, 2016.

**Nicole Jeansonne**, a Salesperson in Jefferson, was censured and ordered to pay a fine in the amount of \$1,500.00 for failing to complete the continuing education requirement in violation of LSA-R.S. 37:1437.C.(6)(a)(i). The Consent Order was approved at the Commission meeting held on October 20, 2016.

**Travis Paul Griffin**, a Broker in Harahan, was censured, his license was suspended for thirty (30) days, and ordered to pay a fine in the amount of \$1,000.00 for having been convicted of a felony or entering a plea of guilty or nolo contendere to a felony charge in violation of LSA-R.S. 37:1455.A.(29). This Consent Order was approved at the Commission meeting held on October 20, 2016.

**Briley Brasher Cotton**, a Salesperson in Ruston, was censured, ordered to complete four (4) hours of continuing education in Louisiana License Law, and ordered to pay a fine in the amount of \$500.00 for failing to immediately relinquish all business related documents to her former broker that in any way pertained to a real estate transaction wherein she was sponsored by the former broker in violation of Chapter 17, Subsection 1701.A.2. This Consent Order was approved at the Commission meeting held on June 16, 2016.

**Kimberly J. Brasher**, a Salesperson in Ruston, was censured, ordered to complete four (4) hours of continuing education in Louisiana License Law, and ordered to pay a fine in the amount of \$500.00 for failing to immediately relinquish all business related documents to her former broker that in any way pertained to a real estate transaction wherein she was sponsored by the former broker in violation of Chapter 17, Subsection 1701.A.2. This Consent Order was approved at the Commission meeting held on June 16, 2016.

# Tech Tip

With renewal season upon us, it is important that you know your LREC username and password when attempting to renew online. If you do not know your credentials, click on the link below for a refresher on how to obtain this information from our website:

<http://www.lrec.state.la.us/files/elearningemail/new/index.html>

This tutorial will also teach you how to set the auto-forward function so you do not miss any important news or updates from the Louisiana Real Estate Commission.

## Follow us for updates



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