

REAL ESTATE COMMISSION MEETING

Heber M. Wells Building

Room 210

9:00 a.m.

August 21, 2012

TELEPHONE MEETING

MINUTES

DIVISION STAFF PRESENT:

Jonathan Stewart, Division Director
Jeffery Nielsen, Chief Investigator
Judith Jensen, Assistant Attorney General
Jennie Jonsson, Hearing Officer
Michael Palumbo, Hearing Officer
Renda Christensen, Board Secretary
Amber Nielsen, Assistant Secretary
Tiffeni Wall, Real Estate Education Coordinator
Kurtis Hughes, Investigator

COMMISSION MEMBERS PRESENT:

Stefanie Tugaw-Madsen, Chair
H. Thayne Houston, Vice Chair
Gary Hancock, Commissioner

GUESTS:

Vern Meyer

The July 18, 2012 telephonic meeting of the Utah Real Estate Commission began at 9:00 a.m. with Chair Tugaw-Madsen conducting.

Commissioner Walker and Commissioner Ashton were excused from the meeting this month.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

There was not a quorum of Commissioners present to vote on the minutes from the July 18, 2012 meeting. Both sets of minutes will be voted on in the September 19, 2012 meeting.

DIVISION REPORTS

DIRECTOR'S REPORT – Jonathan Stewart

Director Stewart reported the numbers of those who applied for the position of investigator were over 100. There were three of those who came in for a second interview yesterday, and the Division will be making an offer today to one of those

applicants.

Director Stewart and Mr. Nielsen will be attending the ARELLO conference on September 19-23, 2012.

The Division was informed last week that the two new Real Estate Commissioners have been approved by the Senate. The new Commissioners are Russell Booth and Lerron Little. They will be administered the Oaths of Office in the September meeting.

ENFORCEMENT REPORT – Jeffery Nielsen

Mr. Nielsen reported in July the Division received 22 complaints; opened 18 cases; closed 12 cases; with a total number of cases at 226. Eight cases were referred to the Attorney General's office, either on the administrative or criminal level.

Stipulations for Review

Nicholas Tauaese

Mr. Tauaese was offered the opportunity to appear today, but has declined.

LICENSING/EDUCATION REPORT - Tiffeni Wall

Ms. Wall said Mr. Fagergren is meeting with Pearson Vue on the mortgage exam webinar this morning. Yesterday Mr. Fagergren and Ms. Wall met with Pearson Vue for five hours to revamp the real estate exam.

Ms. Wall notified everyone that the Instructor Development will be held on October 29-30, 2012.

Stipulations for Review

Alixander Brosig

Mr. Brosig was offered the opportunity to appear today, but has declined.

COMMISSION AND INDUSTRY ISSUES

Discussion of Proposed Rules – Jennie Jonsson

Ms. Jonsson said there have been several rule amendments out for public comment, which closed on August 15, 2012. No comments were received.

- R162-2f-102: The definition of "brokerage records" is amended so as to specify that trust account records include records of deposits and conveyances.
- R162-2f-201: New language requires an applicant with criminal history involving violence or physical coercion to provide records from which the Commission may assess whether the applicant might pose an ongoing threat to the public.

- R162-2f-202b: Existing language is clarified to state that a trust account name must contain the term "real estate trust account" or "property management trust account" as applicable, and that trust accounts must be separate from operating accounts. Additionally, new language states that a principal broker license may not be awarded to an applicant whose sales agent license is on suspension or probation at the time of application.
- R162-2f-205: Language specifies that a principal broker is required to inform the Division of where trust accounts and brokerage records are maintained. All trust and operating accounts must be in a bank or credit union that is located in Utah.
- R162-2f-207: Amendments clarify that a brokerage must obtain a new registration whenever a corporate change results in a new business license or a new registration with the Division of Corporations and Commercial Code. Other changes in corporate structure or ownership require written notification to the Division, but do not nullify an existing entity registration.
- R162-2f-401b: New language prohibits licensees from making a misrepresentation to the Division in an investigation, and from having a seller sign a document allowing the licensee to lien the seller's property in a short sale transaction.

There will be a draft next month to the rules for Property Management for the Commission to review. These are as a result from industry response.

A motion was made to make the rules effective today. Vote: Chair Tugaw-Madsen, yes; Vice Chair Houston, yes; Commissioner Hancock, yes. Director Stewart has concurred. The motion passes.

Ms. Jonsson said these rules will be updated and posted to the Drop Box so the Commissioners can have easy access to them.

CLOSED TO PUBLIC

A motion was made to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair Tugaw-Madsen, yes; Vice Chair Houston, yes; Commissioner Hancock, yes. The motion passes. An Executive Session was held from 9:10 a.m. to 9:15 a.m.

Review of Stipulations

OPEN TO PUBLIC

Results of Stipulations

Alixander Brosig - Approved

Nicholas Tauaese – Approved

OPEN TO PUBLIC

A motion was made to adjourn the meeting. Vote: Chair Tugaw-Madsen, yes; Commissioner Ashton, yes; Commissioner Walker, yes. The meeting adjourned at 9:15 a.m.