

REAL ESTATE COMMISSION MEETING

Heber M. Wells Building
Second Floor - Room 210
8:30 a.m.
September 15, 2004

MINUTES

STAFF MEMBERS PRESENT:

Dexter Bell, Division Director
Mark Fagergren, Licensing and Education Director
Jon Brown, Chief Investigator
Shelley Wismer, Assistant Attorney General
Dee Johnson, Investigator
Marv Everett, Investigator
Mike Kellermeyer, Investigator
Renda Christensen, Secretary

COMMISSION MEMBERS PRESENT:

Gage Froerer, Chair
Dorothy Burnham, Vice Chair
Maralee Jensen, Commission member
Bonnie Peretti, Commission member
H. Blaine Walker, Commission member

GUESTS

Kevin Swensen

The September 15, 2004, meeting of the Utah Real Estate Commission began at 8:30 a.m. with Chair Froerer conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

The minutes for August 18, 2004 meeting were reviewed and found an error on the date of the ARELLO Convention. The correct dates of the convention are October 2-5, 2004. A motion was made by Ms. Burnham, seconded by Ms. Peretti, and unanimously passed to accept the minutes with the above correction.

Other Business

Administrative Law Judge Masuda Medcalf administered the oath of office to the two new commissioners, Bonnie Peretti and H. Blaine Walker.

DIVISION REPORTS

INVESTIGATIONS REPORT – Jon Brown

Mr. Brown reported that in the month of August there were 19 written complaints logged, 10 new cases opened for investigation, no files closed that month, leaving the

number of open case files at 261. He stated that of the 19 written complaints logged, 10 dealt with unlicensed activity (i.e., mortgage brokers selling property, etc.), 5 were short sale complaints, 2 were over property management, and 2 were because of a breach of fiduciary duty. On the 10 cases that were opened, at least 3 were short sales, and at least 3 were spun off of mortgage cases.

DIRECTOR'S REPORT – Dexter Bell

Director Bell said the Division will be having a public input session to discuss mortgage advertising on Friday, September 17th, at 9:00 a.m. in Room 210. He would like to have people from the real estate industry add their comments.

Director Bell said that two new mortgage rules were enacted. The first new rule is that a mortgage licensee may not alter an appraisal, and the second rule is that a mortgage licensee can't fill in a REPC.

There has been a steady increase in real estate and mortgage licenses. With that increase came fingerprint cards and still the same licensing technician to try and process all of them. We have received the reports from the BCI/FBI searches, and may be having approximately 15 hearings on individuals that didn't inform the Division of their criminal histories.

Director Bell announced that Renda Christensen, Board Secretary, has been promoted to the position of Licensing Supervisor. She will take some of the burden off of Mr. Fagergren in dealing with the 6 licensing employees.

EDUCATION/LICENSING REPORT – Mark Fagergren

Mr. Fagergren said that real estate licenses are now current within a week. This includes new companies, broker changes, new agents and renewals are within a week.

In the mortgage industry only 24% of the licensees have taken and passed the exam as of this date. This means that approximately 75% of the licensees will still have to take and pass the test before the end of the year. Another change coming at the first of the year in mortgage will be 20 hours of pre-licensing education. This will mean that instructors, schools, and CE for the mortgage industry will now be regulated.

The Division now has a policy of "tough love." This means that when a new person applies for their license, they have 90 days in which they must submit a completed application. On day 91, they must take the test again. If a licensee doesn't get their renewal in on the last day of the month, they expire the next day. Rule 3.6.5 says that if a person sends in all of their documents in a timely manner but there is some technical thing they have forgotten, the rule now says the Division "may" grant 15 days to fix the problem. The previous wording was the Division "shall" grant 15 days. The Division found that people were taking the "shall" portion of the sentence as a 15 day extension to send in incomplete applications or renewals. Ms. Burnham suggested that there might be an article in the newsletter explaining deadlines and the tough love policy. Director Bell said the article is already written and will be the lead article in the newsletter.

OTHER BUSINESS

Chair Froerer asked if the Division was going to have another Caravan in the rural areas this year. There has been some concern about having live CE courses in the outlying areas. Mr. Fagergren said that with all the changes happening at the end of this year, it would be difficult to discuss a date. Director Bell said that there is a greater possibility in the spring of next year.

Ms. Wismer passed out a copy of an Order issued earlier by the Commission and the Division that the Executive Director of the Commerce Department remanded for further review, with instructions to clarify why the causes of denial listed in the Order justified not issuing the license.

LICENSING HEARINGS

- 9:30 John V. Williams – Application for License
- 10:18 Carolyn H. Triptow – Application for License Renewal
Susanne Gustin, Attorney
- 10:58 James Elliott – Application for License
- 11:49 Jordan Maddocks – Application for License
Did not show
- 12:50 Dwayne Dyatt – Application for License

A motion to go into Executive Session was passed, and was held from 11:55 a.m. to 12:55 p.m. This was a working lunch.

Review of Lesser Criminal Convictions:

Lance Lowe
Jason Mink
Neal Norton
Cindy Adamson
Sterling Brown
Jose Depando
Richard Flack
John Foster
Ruben Garcia
Angela Gowanz
Paul T. Hales
Eloy Hidalgo
Randy Lowder
William Massie
Maria McGill
Devi Rohde

A motion to go into a second Executive Session was made and held from 1:07 p.m. to 1:17 p.m.

1:20 Scott L. Williams – Application for License Renewal

1:54 Robert Mulari – Application for License
Russ Orchard, Broker

A motion was made to have a third Executive Session which was held from 2:23 p.m. to 2:40 p.m.

RESULTS OF EXECUTIVE SESSION

Informal Hearings:

John V. Williams – Denied

Carolyn H. Triptow – Granted

James Elliott – Denied

Jordan Maddocks – Denied

Dwayne Dyatt – Granted

Scott L. Williams – Granted, suspended until he complies with Stipulation, 1 year deadline.

Robert Mulari – Granted

Applicants with Lesser Criminal Connections:

Lance Lowe – Schedule for hearing

Jason Mink - Approved

Neal Norton - Approved

Cindy Adamson - Approved

Sterling Brown - Approved

Jose Depando - Approved

Richard Flack - Approved

John Foster - Approved

Ruben Garcia - Approved

Angela Gowanz - Approved

Paul T. Hales - Approved

Eloy Hidalgo - Approved

Randy Lowder - Approved

William Massie – Schedule for hearing

Maria McGill - Approved

Devi Rohde - Approved

Results of the Stipulations:

Roger M. Stephens – Approved

William D. Tooke – Approved

Gordon K. McDonald – Approved

A motion was made and accepted to adjourn the meeting at 2:45 p.m.