

**OKLAHOMA REAL ESTATE COMMISSION
AGENDA – BUSINESS MEETING
February 13, 2008**

Agenda

I. OPENING OF BUSINESS MEETING

- A. Call to Order – 8:30 a.m.
- B. Approval of Minutes from the January 9th regular meeting
- C. Public Participation (Open Topic)
- D. The Commission May Vote to Approve, Disapprove or Take Other Action on Any Item Listed on this Agenda

II. FORMAL ACTION – APPEALS/HEARINGS

A. APPLICANT APPEAL

A-2007-125 – **Walter Hoover Case** (PSA) – Marshfield, Missouri (Kisner): Administratively denied on November 30, 2007, based on the fact that he disclosed on his application that his non-resident Oklahoma real estate license was revoked in 1993 in regard to an auction he held in Oklahoma.

In case number C-93-42, Mr. Case's Oklahoma sales associate license was revoked. The Report of the Hearing Examiner indicated Mr. Case, at the time of the auction, stated there would be no minimum bids and the property would be sold that day. After he indicated the property was sold to the complainants for \$51,000.00, they were told there was a minimum price the owner wanted for the property and although the auctioneer (Mr. Case) stated the property would be sold that day, a contract was refused. The complainant ultimately purchased the property for \$57,000.00, \$6,000.00 more than his bid.

Mr. Case was found in violation of Title 59 O.S., Section 858-312, Paragraphs 2, 8, and 9 and Rule 605:10-17-4(10) and 605:10-17-4(9). His license was revoked on January 19, 1994.

A-2007-111 – **Wallace L. Lawrence** (PSA) – Edmond (Kisner): **Mr. Lawrence appeared before the Commission on January 9, 2008, at which time it was decided to table his appeal pending an appearance by his sponsoring broker.** Administratively denied on November 8, 2007 based on the fact that under Commission Case Number C-2003-016, his Broker's license was ordered revoked after he was found in violation of Title 59 O.S. §858-312, Subsections 2, 3, 6, 9, 20, 23 and 27; Rules 605:10-17-4(12) and (13); 605:10-17-5(1) and (2); 605:10-13-1(a)(1)(A) and (c).

B. CONSENT AGREEMENT

C-2006-036 – **Fite and Reynolds Real Estate Incorporated, John H. Reynolds, Jr. (BM) and Angela D. Jackson (SA)** – Muskogee (Preslar): Violations by Respondent John H. Reynolds, Jr.: Title 59 O.S. §858-312, Subsections 6 and 9 and Rule 605:10-13-1(1), in that he failed to maintain in his file a copy of the Seller's Estimate of Expenses, and Title 59 O.S. §858-312, Subsections 9 and 23 and Title 60 O.S. Chapter 16A, §833, Subsection C, in that he provided a Residential Property Condition Disclosure Statement which was dated more than 180 days prior to the date it was received for by the purchaser.

Violations by Respondent Fite and Reynolds Real Estate Incorporated: Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(6), in that they failed to properly supervise the activities of Respondent Angela D. Jackson.

Violations by Respondent Angela D. Jackson: Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(12), in that she 1) advised the complainants to pay \$1,400.00 to the purchaser after closing, which sum was not identified on the HUD-1 Settlement Statement, 2) advised the complainants to enter into a previous real estate purchase contract which provided for Seller contribution to Buyer's purchase funds through a second mortgage instrument in a transaction abandoned at the request of the Buyer, and Title 59 O.S. §858-312, Subsections 9 and 23 and Title 60 Chapter 16A, §833, Subsection C, in that she provided the Residential Property Condition Disclosure Statement which was dated more than 180 days prior to the date it was receipted for by the purchaser

Consented: Respondent John H. Reynolds, Jr. has consented to an assessment of an administrative fine of Five Hundred Dollars (\$500.00) for each violation, for a total of One Thousand Dollars (\$1,000.00); Respondent Fite & Reynolds Real Estate Incorporated has consented to an assessment of an administrative fine of Five Hundred Dollars (\$500.00), and Respondent Angela D. Jackson has consented to an administrative fine of One Thousand Five Hundred Dollars (\$1,500.00), a six month suspension of her license, but with the imposition of such suspension being suspended, and six (6) hours of continuing education regarding Laws and Rules of Real Estate and Oklahoma Broker Relationships Act.

C-2007-034 – **Churchill Brown and Associates Incorporated, Sheila Kessler Cortese (BM)** – Oklahoma City, **Churchill Brown and Associates Incorporated (BO), Lamont K. Churchill (BB) and Jeannie Messina (SA)** – Edmond (Preslar): Violations by Respondents Churchill Brown and Associates Incorporated, Sheila Kessler, Churchill Brown and Associates Incorporated (BO) and Lamont Churchill: Title 59 O.S. §858-312, Subsection 9 and Rule 605:10-17-4(12), in that they may have failed to properly supervise the activities of Jeannie Messina, and Title 59 O.S. §858-312, Subsections 7, 8 and 9 and Rule 605:10-17-4(12), in that they may have accepted and paid a commission for acts which were performed in violation of the Oklahoma Real Estate Code.

Violations by Respondent Jeannie Messina: Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(12), in that she may have attempted to interfere with the contract between Seller and Buyer, and Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(12), in that she may have exerted undue influence on the Buyer to withdraw his offer until the Seller agreed to pay a commission to her.

Consented: Respondents Jeannie Messina and Lamont Churchill have consented to paying an amount totaling Seven Thousand Five Hundred Dollars (\$7,500.00) to the Complainants and to receiving a formal reprimand. The case against Respondents Churchill Brown and Associates Incorporated, Churchill Brown and Associates Incorporated (BO) and Sheila Kessler will be dismissed.

C-2007-036 – **Crosslin Real Estate LLC, Billie Crosslin (BM) and N.J. Evans Jr. (BA)** – Tahlequah (Preslar): Violations by Respondents Crosslin Real Estate LLC, Billie Crosslin and N.J. Evans Jr.: Title 59 O.S. §858-356, in that they failed to disclose their broker relationship to the Seller.

Consented: Respondents Crosslin Real Estate LLC, Billie Crosslin and N.J. Evans Jr. have each consented to paying an administrative fine of Five Hundred Dollars (\$500.00), for a total of One Thousand Five Hundred Dollars (\$1,500.00).

C-2007-071 – **Jimmie Dwayne Basler (BP)** – Claremore (Preslar): Violations by Respondent Basler: Title 59 O.S. §858-312(14) and Rule 605:10-17-4(12), in that he paid an unlicensed person for activities that require an active real estate license.

Consented: Respondent Jimmie D. Basler has consented to paying an administrative fine of One Thousand Dollars (\$1,000.00) and a formal reprimand.

UC-2007-003 – **Sooner Real Estate.com** – Edmond, **Churchill Brown and Associates Incorporated, Sheila Kessler (BM)** – Oklahoma City, **Churchill Brown and Associates (BO), Lamont K. Churchill (BB)** – Edmond and **Richard Thayne Cochrane (SA)** – Oklahoma City (Preslar): Violations by Respondents Sooner Real Estate.com and Richard Thayne Cochrane: Title 59 O.S. §858-102(2), 858-301, 858-401, 858-312 Subsections 8 and 9 and Rule 605:10-17-4(12) and Rule 605:10-11-1(a), in that they may have engaged in unlicensed activities, operated an unlicensed business and conducted real estate transactions which require an active license.

No evidence was received to indicate that Respondents Churchill Brown and Associates Incorporated, Churchill Brown and Associates Incorporated (BO), Sheila Kessler and Lamont K. Churchill violated any provision of the Oklahoma Real Estate License Code.

Consented: Respondents Sooner Real Estate.com and Richard T. Cochrane have consented to paying an administrative fine of Five Hundred Dollars (\$500.00), with Respondent Cochrane attending and completing a three (3) hour continuing education course in Laws and Rules of Real Estate. The case against Churchill Brown and Associates Incorporated, Churchill Brown and Associates Incorporated (BO), Sheila Kessler and Lamont K. Churchill is dismissed.

UC-2007-002 – **Henderson Properties** – Oklahoma City, **Paradigm Realty Incorporated, J.D. Hadley (BM), Teri Kathleen Henderson (SA) and Debra Naifeh (SA)** – Edmond (Preslar): Violations by Respondents Henderson Properties and Teri Kathleen Henderson: Title 59 O.S. §858-102(2), §858-301, §858-401, §858-312 Subsections 4, 6, 8, 9 and 20; Rule 605:10-9-4(b)(1)(2)(3) and Rule 605:10-11-1(a), in that they may have engaged in unlicensed activities, operated an unlicensed business and conducted real estate transactions which require an active license.

Violations by Respondent Debra Naifeh: Title 59 O.S. §858-312 Subsections 8 and 9, Rule 605:10-9-1(d) and Rule 605:10-11-1(a).

Violations by Respondents Paradigm Realty Incorporated and J.D. Hadley: Title 59 O.S. §858-312 Subsections 8 and 9 and Rule 605:10-17-4(6).

Consented: Respondents Henderson Properties, Teri K. Henderson, Debra Naifeh, Paradigm Realty Incorporated and J.D. Haley have consented to **each** paying an administrative fine of Two Hundred Fifty Dollars (\$250.00), for a total sum of One Thousand Two Hundred Fifty Dollars (\$1,250.00).

C. HEARING EXAMINER REPORT

C-2006-064 – **JSS and Associates Incorporated and Johnny Steele (B)** – Edmond (Sokolosky): On October 8, 2007, the Hearing Examiner reported that no evidence was received to indicate that Respondents JSS and Associates Incorporated and Johnny Steele violated any provision of the Oklahoma Real Estate License Code.

Recommend: Dismiss case.

C-2006-107 – **Marion Group Real Estate Incorporated and Walter L. Marion (BM)** – Lawton (Sokolosky): On November 8, 2007, the Hearing Examiner reported that the Respondent Walter L. Marion was found in violation of Title 59 O.S. §858-312, Subsections 3 and 9 and Rule 605:10-17-4(12), in that he disclosed himself as a transaction broker for both the Buyer (complainant) and Seller (his construction company).

Recommend: That Respondent Walter L. Marion be formally reprimanded and ordered to pay an administrative fine of Four Hundred Dollars (\$400.00), and that the case against Marion Group Real Estate be dismissed.

C-2007-028 – **Keesee and Company Incorporated, Konrad Keesee (BM) and Douglas Thane Lewis (SA)** – Oklahoma City (Sokolosky): On November 30, 2007, the Hearing Examiner reported that no evidence received to indicate that Respondents Keesee and Company Incorporated, Konrad Keesee and Douglas T. Lewis violated any provision of the Oklahoma Real Estate License Code.

Recommend: Dismiss case.

III. COMPLAINTS/INVESTIGATIONS

A. CASE EXAMINER REPORT/PRELIMINARY INVESTIGATION

C-2006-078 – **Detrick Realty Incorporated, Warren L. Stewart (BM), Detrick Realty Incorporated (BO), Daniel G. Staudt (BB), The Detrick Companies Incorporated, Sheldon Detrick (BM), The Leinbach Company and Edward B. Leinbach (BM)** – Tulsa (Kisner): Possible violations by Respondents Sheldon Detrick and Edward B. Leinbach: Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(7), in that they may have failed to make known in writing to the purchaser the interest which they held in the subject property, in that they failed to disclose their interest in Winchester West LLC, title owner of the subject property.

No evidence was received to indicate that Respondents Detrick Realty Incorporated, Warren L. Stewart, Detrick Realty Incorporated (BO), Daniel G. Staudt, The Detrick Companies Incorporated and The Leinbach Company violated any provision of the Oklahoma Real Estate License Code.

Recommend: Set Formal Hearing on Sheldon Detrick and Edward B. Leinbach; Close case on remaining Respondents.

C-2006-094 – **McBride and Wilson Properties LLC, Jerry Lee McBride (BM), Rodney David Wilson (BA)** – Edmond; **Churchill Brown and Associates Incorporated** – Oklahoma City; **Churchill Brown and Associates (BO), Lamont K. Churchill (BB)** – Edmond, **and Judy K. Lindsay (BM)** – Oklahoma City (Kisner): Possible violations by Respondents Jerry L. McBride and Rodney D. Wilson: Title 59 O.S. §858-312, Subsections 4 and 9, in that they may have received payments from the Complainants for property management services during the period of March 2005 to February 2006 which were not paid through their managing broker; Title 59 O.S. §858-312, Subsections 6 and 9 and Rule 605:10-13-2(1), in that they may have failed to turn over security deposit funds to their managing broker, and Title 59 O.S. §858-312, Subsection 9 and Title 59 O.S. §858-354 (B)(2)(4), in that they may have failed to advise the Complainants that the tenant received ten (10) days free rent as an early occupancy incentive and failed to collect and deposit the full amount of the security deposit from the tenant.

No evidence was received to indicate that Respondents McBride and Wilson Properties LLC, Churchill Brown and Associates, Churchill Brown and Associates (BO), Lamont K.

Churchill and Judy K. Lindsay violated any provision of the Oklahoma Real Estate License Code.

Recommend: Set Formal Hearing on Jerry L. McBride and Rodney D. Wilson; Close case on remaining Respondents.

B. INVESTIGATORS REPORT

C-2004-089 – **Property Management Resources Incorporated and Richard Earl Maxberry (BM)** – Lawton (Kueffler): Complainant contracted with the respondents on April 4, 2003 to manage his property located in Lawton, Oklahoma. The complainant stated he terminated the agreement on October 12, 2004 due to breach of contract.

The complainant later advised the respondents via fax and U.S. Mail that all documents and funds regarding the property must be turned over no later than November 12, 2004. He added that as of the date of this complaint the respondents failed to release the funds and documents to him.

Additionally, the complainant submitted additional information indicating the respondents had entered into agreements with security companies and satellite television companies without authorization. He stated that when he purchased these apartment complexes Respondent Maxberry failed to inform him of these agreements.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2006-008 – **Brenda J. Stovall (Unlicensed)** – Fort Smith, AR (Kueffler): Complainant alleged Respondent Stovall did not follow his instructions regarding the amount of land to be surveyed.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2006-060 – **Humphrey Realty Incorporated, William E. Humphrey (BM), Sharon Lovick Agee (BA) and Janna Jarman (BA)** – Pauls Valley (Kueffler): Complainant alleges that Respondents Humphrey Realty Incorporated, William Humphrey, Sharon Agee and Janna Jarman refused to return earnest money to the complainant after the closing did not happen.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2006-088 – **Chuck Fawcett Realty Incorporated, Charles H. Fawcett Sr. (BM), Denice Howerton (SA)** – Fort Smith, AR; **Medlock and West Realty LLC and Alice F. Medlock (BM)** – Van Buren, AR (Kueffler): Complainant alleged that Respondent Howerton did not follow his instructions regarding the amount of land to be surveyed.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2006-092 – **Stanley M. Brown (BP)** – Prague (Kueffler): Complainant alleged that Respondent Brown knowingly acted fraudulently or dishonestly by bringing in buyers who were not legitimate.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2006-122 – **Dorothy M. Wilcox (BP) and Kerri Dawn Day (PSA)** – Tahlequah (Kueffler): Complainant alleged Respondent Wilcox and Day misrepresented her sales offer and owes her money for mistakes that were made at closing.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2007-003 – **Joe T. Gilliland (BP) and Tiffany Michelle Tate (SA)** – Oklahoma City (Kueffler): Information was received indicating Respondent Tate was operating a real estate business out of her residence and that Respondent Gilliland may be permitting the use of his license to enable Respondent Tate.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2007-024 – **Rudy Wyatt Realty Incorporated, George Gary Griffith (BM), Ann M. Smothers (SA)** – Broken Arrow (Kueffler): Complainant alleged the Respondents had prior knowledge of certain material defects and failed to disclose those defects after they became aware of them through a home inspection report from a previous prospective buyer. Respondent Smothers was the listing agent of the property at the time the inspection report was issued.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2007-029 – **Trix Leann McCloskey (BP)** – Henryetta (Kueffler): Complainant alleged that Respondent McCloskey has had her business phone turned off but her office appeared to be open.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

C-2007-080 – **Twin Rivers Real Estate Incorporated, Brian K. Woodward (BM) and Susan D. Woodward (SA)** – Yukon (Kueffler): Complainant alleged that the Respondents refused to make repairs to property he leased from them. He alleged the gas was shut off to the property due to several gas leaks and the Respondents refused to repair the leaks.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

U-2006-002 – **Great Western Business Services Incorporated, John Binkley, Ryan Binkley and Daniel Binkley** – Dallas TX (Kueffler): Complaint comes as a Motion of Commission based upon information received indicating Respondent Great Western Business Services Incorporated and its employees were advertising Oklahoma properties for sale without possessing an Oklahoma real estate license.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

U-2007-001 – **A Quick Home Sale LLC, Kristin Jones, Darrell Janish and Sanjuana Valdez** – Oklahoma City (Kueffler): Complaint comes as a Motion of Commission based upon information received indicating the Respondents were advertising properties for sale on a website (aquickhomesale.com). There was also an offer of a \$500.00 referral fee paid after closing to anyone who referred a buyer.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

U-2007-004 – **The Tipton Group and Bryan Kerns** – Plano, TX (Kueffler): A complaint was submitted alleging Respondents may be conducting property management activities within the State of Oklahoma without having an Oklahoma Real Estate license.

Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

U-2007-005 – **Abby Homes LLC, John Kneisel and Karen Kneisel** – Altus (Kueffler): Complaint comes as a Motion of Commission based upon information received from the Altus Association of Realtors and a submitted MLS entry they received from the Respondents. The entry indicated the Respondents were offering to advertise for sale by Owner properties and take all calls and give the interested buyers details of the property. Based upon this investigation and other evidence received, there is no indication of any violation of the Oklahoma Real Estate License Code and Rules.

Recommend: Close case

IV. FINANCIAL AND FISCAL

- 1) Travel to ARELLO Mid-year Conference in Pasadena, California April 24-26, 2008
- 2) Travel to Realtors Midyear Legislative meeting in Washington, DC May 13-16, 2008 (One Commission Representative)

V. EDUCATION

- 1) Report from the Education and Licensing Program Director
- 2) Re-appointment of Charles Barnes to Education Advisory Committee, representing the Oklahoma Real Estate Commission

VI. INDUSTRY UPDATES

- 1) Report from Rebate Task Force
- 2) Contract Committee Update
- 3) OREC New Licensee Survey

VII. GENERAL BUSINESS

- 1) Proposed 2008 Legislation amendments:
 - a. HB 2564
 - i. SB 1576
 - b. HB 2565
 - ii. SB 1579
- 2) Proposed 2008 Permanent Rule amendments
- 3) Update on building
- 4) Project updates:
 - a. Online continuing education registration by schools
 - b. Electronic agenda
- 5) Report on Texas Brokers operating in Oklahoma without a license
- 6) Consideration of working towards requiring an Associate's or Bachelor's degree in real estate prior to obtaining a license
- 7) Background check process – allowing applicants to have their license issued prior to background check being completed
- 8) Update on ARELLO-Certified examinations
- 9) Consideration of items to be discussed at next Commission Meeting

VIII. NEW BUSINESS

Any new business not known about or which could not have been reasonably foreseen prior to the time of posting of the agenda

IX. ACTION ON NEXT MEETING DATE

March 19, 2008

X. ADJOURNMENT