

NOTICE IS HEREBY GIVEN THAT THE REGULAR MONTHLY MEETING OF MEMBERS OF THE OKLAHOMA REAL ESTATE COMMISSION WILL BE HELD AT THE FOLLOWING TIME AND PLACE:

MARCH 10, 2006 – 8:30 A.M.
OKLAHOMA REAL ESTATE COMMISSION
2401 N. W. 23rd STREET, SUITE 18
OKLAHOMA CITY, OKLAHOMA

PRELIMINARY AGENDA
OKLAHOMA REAL ESTATE COMMISSION
BUSINESS MEETING
May 10, 2006

I. OPENING OF BUSINESS MEETING

- A. Call to Order – 8:30 a.m.
- B. Approval of Minutes from March 8, 2006, 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 APPEALS

A-2006-20 – Ryan Dale Haas (PSA) – OKC. Administratively denied March 10, 2006. Under case CM-2003-3717, applicant pled guilty to Driving While Under the Influence; received a four-year deferred sentence, fines of \$200 plus costs, and 40-hours of Community Service. Per the courts the applicant is on probation until November 27, 2008 and has a current outstanding fines/cost balance of \$371.50.

B. HEARING EXAMINER REPORTS

C-2004-87 – Dedra M. Classen (B) – Fairview (Sokolsky). A formal hearing was held wherein respondent was not found in violation of the license law; that respondent's real estate license is currently on inactive status and has been since August 2, 2005, therefore there was no documentation for respondent to provide.

Recommend: case dismissed.

E-2005-01- Gerald Wayne Weatherford (B) – Idabel (Kisner). A formal hearing was held wherein respondent failed to appear. Respondent's violation of Title 59 O.S. §858-312, Subsections 8 and 9; and Rules 605:10-17-2(b) and 605:10-17-4(6) in case C-2004-23 constitutes improper conduct as defined in Rule 605:10-5-1.1(l).

Recommend: Revocation of Gerald Weatherford's Real Estate Instructor Approval status, without prejudice to reapplication.

III. COMPLAINTS/INVESTIGATIONS

A. CASE EXAMINER REPORTS

C-2005-13 – Monty J. Stricker (B), OKC Commercial Real Estate and Melva McMurray-Reed (SA) – OKC (Kisner). Possible violations by Respondents Monty Stricker and OKC Commercial Real Estate: Title 59 O.S. §858-312, Subsections 8 and 9; and Rules 605:10-17-4(6), 605:10-17-4(3) and 605:10-17-5(3). Respondents may have failed to properly supervise the activities of Respondent McMurray-Reed, in that she conducted real estate transactions under the name of OKC Commercial Real Estate during the time her license was on inactive status; and may have permitted Respondent to engage in licensable activities under the name of OKC Commercial Real Estate at a time when said license had lapsed.

Respondent Melva McMurray-Reed may have violated Title 59 O.S. §858-312, Subsections 8 and 9; and Rules 605:10-17-7, 605:10-7-4(3) and 605:10-17-5(3), in that she may have conducted real

estate transactions which require an active license at a time when her real estate sales associate license was on inactive status; and may have engaged in licensable activities under the name of OKC Commercial Real Estate at a time when said license had lapsed.

Recommend: set formal hearing.

C-2005-105- Group One Claremore, Inc., Johnny L. Leonard (B), and Ruth Linda Green (SA) – Claremore (Kisner). Possible violations by Johnny Leonard and Group One Claremore, Inc.: Title 59 O.S. §858-312, Subsections 8, 9 and 23; and Rules 605:10-17-4(12), 605:10-17-4(6), and 605:10-17-4(2). Respondents may have failed to inform the complainant that the property was in foreclosure; failed to exert his best efforts in order to later acquire the property for himself or another entity in which he had an interest; he attempted to purchase property listed by his company without making full disclosure and obtaining approval of the owner; attempted to purchase the property listed by his company after the complainant had been the successful bidder on said property; failed to supervise the activities of an associate in that he failed to insure the associate informed the complainant that the property was in foreclosure; and may have failed to treat all parties with honesty and failed to exercise reasonable skill and care.

Ruth Linda Green may have violated Title 59 O.S. §858-312, Subsections 2, 8 and 9; and Rule 605:10-17-4(12), 605:10-17-4(3), and 605:10-17-4(2). Green may have failed to inform the complainant that the property was in foreclosure; made substantial misrepresentations to the complainant in that she informed the complainant, and his representative, that the Sheriff's sale was set for December 6th when it was actually set for December 1st; failed to inform herself of pertinent facts concerning the property to which she was performing services, in that she stated she thought the Sheriff's sale was set for December 6th and so informed the complainant when it was actually set for December 1st; and she may have failed to treat all parties with honesty and failed to exercise reasonable skill and care.

Recommend: set formal hearing.

C-2005-07- JSS & Associates, Inc., and Johnny Steele (B) – Edmond (Kisner). Possible violations by Respondents JSS & Associates, Inc., and Johnny Steele: Title 59 O.S. §858-312, Subsections 6, 8 and 9; and Rules 605:10-17-4(9), 605:10-17-4(12), 605:10-9-1, 605:10-9-2(a), 605:10-9-5(a) and 605:10-9-5(c). Respondents may have failed to submit a written response to the complaint filed against them; failed to timely pay vendors, contractors and taxes for properties which they had been reemployed to rehabilitate and manage; failed to furnish the complainant copies of bids and contracts relating to the rehabilitation of the properties; failed to maintain a specific place of business available to the public during reasonable business hours; failed to maintain and erect a sign on or about the entrance to the office; moved the business address and failed to register the new address with the Commission within ten (10) days of the move; and moved his home address and failed to register the new address with the Commission within ten (10) days of the move.

Recommend: set formal hearing.

C-2004-43 – Paradigm Realty, Inc., J. D. Hadley (B), and Debra Naifeh (SA) – Edmond (Kisner). Complainants alleged Respondent failed to furnish a Residential Property Condition Disclosure form signed by the seller prior to their offer being accepted; that the disclosure form provided to them contained a forged signature of the seller. Further that respondent had actual knowledge of defects concerning the property and failed to disclose such defects to them; and they accused respondent of dishonest conduct and making substantial misrepresentations.

Complainants filed civil action against the respondents and sellers and this case was held in abeyance pending the outcome of the civil action. Complainants have since withdrawn their civil case and withdrawn any claims with the Commission against respondents.

Respondent had Power of Attorney for the seller when she filled out the Residential Property Disclosure. Further complainants failed to state with specificity the alleged misrepresentations or false promises made by respondents. No evidence was submitted that respondents failed to disclose any defects in the property.

Recommend: close case.

C-2006-03 – Post Enterprises, LLC and Harrell D. Post (B) – Miami (Kisner). Possible violations by respondents: Title 59 O.S. §858-312, Subsections 6, 8 and 9; and Rules 605:10-13-1(a)(1)(A), 605:10-17-4(12), and 605:10-13-1(a)(1)(D). Respondents may have received for \$2,500 earnest money and indicated by the terms of the contract that said money would be deposited and held by them as listing broker, when in fact said earnest money was deposited and held by Ottawa County Abstract & Title Company; and may have failed to timely deposit or submit the earnest money check to the Ottawa County Abstract & Title Company.

Recommend: set formal hearing.

C-2005-46 – Richard Eugene Cobb (B) – Elk City (Sokolosky). Complaint filed due to the fact that Respondent refused to allow the complainant to bid on a property being sold at auction. From evidence received there was no indication of a violation of the license law.

Recommend: close case.

C-2005-89 – McGraw Davisson Stewart, Inc., Joseph R. McGraw (B), McGraw Davisson Stewart, Inc. (BO), Thomas L. Forbes (B), Jan R. Briggs (BA), Ryan Briggs (SA), and Manda Sue Stamm (PSA) - Tulsa (Sokolosky). Possible violations By Respondents Joseph McGraw and McGraw Davisson Stewart, Inc.: Title 59 O.S. §858-312, Subsections 8 and 9; and Rule 605:10-17-4(6). Respondents may have failed to properly supervise the activities of an associate in that Joseph McGraw demonstrated a lack of institutional control of the Branch Office and Thomas Forbes by allowing them to office out of locations other than the location registered with the Commission.

Respondents Thomas Forbes and McGraw Davisson Stewart, Inc., Branch Office may have violated Title 59 O. S. §853-312, Subsections 8 and 9; and Rules 605:10-9-1(a), and 605:10-17-4(6), in that they may have failed to insure that the registered Branch Office is available to the public during reasonable business hours; failed to office out of the location registered with the Commission; may have permitted the use of his license to enable an associate licensed through him to establish and conduct a brokerage business wherein the broker's only interest in the receipt of a fee for the use of his sponsorship, as Respondent Forbes does not office out of the location registered as the Branch Office and most of the licensees registered as such office are never present in the office.

Recommend: set formal hearing. on McGraw Davisson Stewart, Inc., Joseph McGraw, McGraw Davisson Stewart, Inc. Branch Office, and Thomas Forbes; and to close the case on Jan Briggs, Michael Briggs, Ryan Briggs, Manda Sue Stamm.

C-2005-97 – McGraw Davisson Stewart, Inc., Joseph R. McGraw, Jr. (B), McGraw Davisson Stewart, Inc. (BO), Thomas L. Forbes (B), and Jennifer Lee Bighorse (SA) – Tulsa (Sokolosky). Possible violations by Jennifer Lee Bighorse: Title 59 O.S. §858-312, Subsection 2, 9 and 23, in that she may have filled out the Residential Property Condition Disclosure Statement and then had the Sellers, her in-laws, sign the same; and may have made substantial misrepresentations to the Complainant by failing to disclose and concealing certain defects in the property.

No evidence was presented to indicate McGraw Davisson Stewart, Inc., Joseph McGraw, Jr., McGraw Davisson Stewart, Inc. (BO) or Thomas Forbes violated the license law.

Recommend: set formal hearing on Jennifer Bighorse and to close the case on all other respondents.

C-2005-103 – McGraw Davisson Stewart, Inc., Joseph R. McGraw, Jr. (B), McGraw Davisson Stewart, Inc. (BO), Lou Ann Hoffman (B), and John D. Sipes (SA) – Tulsa (Sokolosky). Possible violations by McGraw Davisson Stewart, Inc., Joseph McGraw, McGraw Davisson Stewart, Inc. (BO) and Lou Ann Hoffman: Title 59 O.S. §858-312, Subsections 8 and 9; and Rule 605:10-17-4(6) and 605:10-17-4(b). Respondents may have failed to properly supervise the activities of John Sipes in that they failed to insure he acted, in marketing his own property, with the same good faith as when acting in the capacity of a real estate licensee; and may have failed to file an adequate written response within fifteen days of notice that a complaint had been filed.

Respondent John Sipes may have violated Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(13), in that he may have failed to act, in marketing his own property, with the same good faith as when acting in the capacity of a real estate licensee, in that he may have indicated to the complainant that the washer and dryer belonged in the house in order to persuade complainant to sign the lease, and may have failed to disclose to complainant certain defects in the property.

Recommend set formal hearing

C-2005-80 – Realtex, Inc., David Neal Wallace (B), Richard Lee Olney (SA) - OKC (Sokolosky). Possible violations by David Neal Wallace and Realtex, Inc.: Title 59 O.S. §858-312, Subsections 8 and 9; and Rule 605:10-17-4(b). Respondents may have failed to file an adequate written response within fifteen days of notice that a complaint had been filed.

Respondent Richard Lee Olney may have violated Title 59 O.S. §858-312, Subsections 8, 9 and 23; and Rules 605:10-15-1(a)(3) and 605:10-17-4(12). Olney may have failed to furnish a disclosure statement to the purchaser as soon as practicable; failed to disclose in writing to all parties on both sides of the transaction his interest in RLV Refurbishing, Inc.; and may have required complainant to purchase shares of RLV Refurbishing, Inc., in order to complete the transaction of the sale of real property.

Recommend: set formal hearing.

B. INVESTIGATION REPORTS

C-2006-07 – NJS Realty, Inc., Nancy J. Stewart (B), and Linda C. Sands (SA) – Shawnee (Melton). Complainant alleged respondents were slow in providing information and the Profit and Loss Statements provided were false. Complainant was concerned over a \$20,000 earnest money deposit and the fact that the sellers provided him with the Profit and Loss statements that had numerous large discrepancies. Respondents stated the seller did not keep good accounting of the business records and due to the bookkeeping errors information was hard to obtain.

Recommend: close case.

C-2006-09 – Beth Ann Langston (B) – Collinsville (Melton). Complainant filed due to the property having a collapsed sewer line that was not disclosed to them. The line has since been replaced and the seller and respondents both state they had no prior knowledge of a collapse of the line.

Recommend: close case.

C-2006-13 – Kay’s Real Estate, Inc., Sheryl Kan Spradling (B), Carole Lee Buckholts (BA) Elizabeth Campbell (B) and Vickie Lee McGruder (PSA) – Duncan/Lawton (Melton). The seller was in negotiations with a buyer when Campbell/McGruder brought another buyer. The seller then countered the complainant’s offer. The seller then sought legal advice and his attorney advised he had a contract with the buyer and not the complainant; therefore he chose to close the transaction with the other buyer.

Recommend: case closed.

C-2006-23 – Gary Dunlap and Associates, Inc., Gary A. Dunlap (B), and Tami L. Conrad (SA) – Muskogee (Melton). Complainant alleged Respondent Conrad engaged in improper activity causing him to lose out on the purchase of property. The complainant’s offer of \$20,000 was submitted and countered by the seller at \$30,000 (with a 24-hour clause); however the complainant stated he would have to think about it. Before the complainant determined whether or not he would accept the counteroffer another offer came in at \$28,500, which the seller accepted. When complainant called to accept the counteroffer he was informed the seller had entered into a contract with another party.

Recommend: case closed.

C-2004-58 – Maxco International, LLC, and Joe W. Maxey, Jr (B) – Edmond (Kueffler). Complainants alleged respondent falsely presented himself as working in the capacity of an attorney for a party when he was working as a real estate licensee and that he failed to follow the Broker Relationships Act. No evidence was found to indicate respondent intentionally prevented disclosure of his license.

Recommend: case closed.

C-2004-74 – Petticoat Junction Real Estate, Inc., Rose Moore (B), and Brenda Maner (SA) – Adair (Kueffler). Complainant had his house listed with respondents, who raised the selling price of the property; and the contract was misleading and possibly fraudulent; further respondents took advantage of complainant. There were problems with the transaction due to the buyers closing costs and a second mortgage, wherein the listing company withdrew from the transaction. The sellers were contacted the day of closing and informed they needed to bring \$5,208 to closing, they were later called and advised the amount was \$8,208.

Recommend: case closed.

C-2005-42 – Susan Rhodes (B) and Franklin Weicht (SA) – Miami (Kueffler). Complainant alleged respondents: failed to comply with the Broker Relationship Act, i.e., transaction broker but acted in best interest of seller; failed to provide him with a Residential Disclosure Statement and lead-based paint disclosure; and failed to get his authorization after altering the purchase contract.

Seller completed a Residential Disclosure Statement and left it for Respondents to pick up; however respondents do not have the original or a copy of such form. After purchasing the property the complainant had issues with the roof; respondents obtain an estimate of \$3,300 to \$4,00 to repair the roof and they offered the complainant \$7,500, which he declined.

Recommend: case closed with letter of caution to both respondents for failing to maintain all records and files.

C-2005-52 – McGraw Davisson Stewart, Inc. , Joseph McGraw, Jr. (B), McGraw Davisson Stewart, Inc. (BO), Lou Ann Hoffman (B), Sharon Gail Reed (SA) – Tulsa (Kueffler). Complainant alleged that at closing he was asked to pay an additional \$940 of buyers closing cost, and that respondent presented a buyer that could not perform according to the contract.

Respondents stated the amount paid by seller did not exceed the agreed amount in the contract and financing agreement. Complainant agreed to pay the buyer’s closing costs however the amount was more than he anticipated.

Recommend: case closed.

C-2005-88 – American Realty of Elk City, Inc., Michael Allen Stout (B), and Krista Smith (SA) – Elk City (Kueffler). Complainant alleged respondent Smith failed to communicate during the transaction.

Respondent stated he stayed in contact with the complainant and worked to bring the transaction to a close. Many problems arose throughout the transaction and the complainant’s earnest money has been returned.

Recommend: case closed.

C-2005-92 – Mortgage Solutions Service, LLC., Barbara Quesenbury (B), and M. Keith Matthews (BA) – Guymon (Kueffler). Complainant alleged respondent Matthews allowed purchasers access to his property to complete repairs without his approval.

Buyers signed early occupancy agreement to allow buyers to install new carpet, however the buyers made additional repairs without approval of respondents or sellers. Respondents contacted the

sellers and they agreed to allow the buyers to complete what they were doing. Complainants also had issues with Respondent providing them with documents (Power of Attorney and Warranty deed issues) due to the complainants being unable to attend closing.

Recommend: case closed.

C-2005-98 – Mike Jones Real Estate Co., Paula Goode (B), Mike Jones Real Estate Co. (BO), John Mike Jones (B) – OKC/Edmond (Kueffler). Complainant alleged Respondent Mike Jones fraudulently changed a lease agreement in order to get additional security deposit funds from him.

Respondent stated the case was filed against the wrong person. Through investigation it was determined that the complainant was given inaccurate information by a third party and the complaint was filed against the wrong individual. The respondents were not involved with the complainant in any type of real estate transaction.

Recommend: case closed with respondent's file noted the complaint was filed by the complainant in error.

IV. FINANCIAL AND FISCAL

- A. FY-2006 Update
- B. Request for Expenditure of Funds from Fund #210
 - a. 2nd Quarter 2006 Commission Comment printing and mailing cost at approximately \$6,000.00 at an expense to the 210 Education and Recovery Fund FY 2006
 - b. Development of Commissioner Orientation Video at approximate cost of _____ at an expense to the Education and Recovery Fund FY 2006
 - c. Authorization for Department of Central Services to proceed on awarding the bid to a successful Testing Vendor
 - d. Authorization for travel for those attending the REEA Annual Conference on June 11 – 14, 2006 in Las Vegas, Nevada

V. EDUCATIONAL PROGRAMS

Educational Endeavors

VI. INDUSTRY UPDATES – Discussion and/or Action

VII. GENERAL BUSINESS

- A. Rebate Issue – Commission has received several emails from consumers regarding this issue
- B. Standard Forms Committee Report
- C. Examination Accreditation – Report Update
- D. Discuss –Law Change, Commissioner term on Commission from three to five years
- E. Discuss broker sponsorship of individual who appeal the administrative denial of their application; possibly require broker to sign that they are responsible and stipulate additional requirements of the broker (i.e., quarterly reports) - Commission requested advice from Assistance Attorney General Jan Preslar
- F. Update on any known pending legislation
 - 1. HB2794 – Increase Amount that can be paid on an Apartment Referral and use of the word "Agent"
 - 2. SB 876 – Commercial Real Estate Broker Lien Act
- C. Errors and Omission
- D. Revisions to NAR Code of Ethics regarding "Confidential Information" - Discussion

VIII. NEW BUSINESS – shall mean any matter not known about or which could not have been reasonably foreseen prior to the time of posting of the agenda (24 hours prior to the meeting).

IX. ACTION ON NEXT MEETING DATE – scheduling of next meeting, June 14 or June 21 or alternate date.

X. ADJOURNMENT