

**Minutes of
THE FLORIDA REAL ESTATE COMMISSION
June 19 and 20, 2007
General Meeting**

Chair Poul Hornsleth called the meeting of the Florida Real Estate Commission to order, at approximately 8:30 a.m., in Orlando, Florida, on this 19th day of June, 2007.

The Chair introduced the members of the Commission and its legal counsel. The following Commission members were in attendance: Chair Poul Hornsleth, Vice-Chair S.W. Ellis, Nancy B. Hogan and Matey Veissi. Tom Barnhart, Assistant Attorney General, appeared as counsel for the Commission. Mr. Barnhart declared a quorum present.

Division staff present at the meeting: Thomas O'Bryant, Jr., Division Director and Executive Director for the Commission; Elizabeth A. Hickman, Deputy Director; James P. Harwood, Chief Attorney; Kathleen Koeberich, Bureau Chief of Enforcement; Patrick Cunningham, D. Chris Lindamood, Shiv Persaud, Joseph Solla, Bob Minarcin, and Frank Roche, Senior Attorneys; Brian Piper, Investigator Supervisor; JoEllen Peacock, Education Coordinator; Donna Salters, Regulatory Supervisor/Consultant; Lori Crawford, Regulatory Supervisor/Consultant. American Court Reporting (407.896.1813) provided court reporter services.

Approval of the Minutes

The Commission unanimously approved the Minutes of the May 15 and 16, 2007, General Meeting and Workshop, as written.

Unlicensed Activity Report

Bureau Chief of Enforcement, Kathleen Koeberich, presented the Unlicensed Activity Report and the Enforcement Report. Ms. Koeberich stated that the Investigators have been meeting with the regional State Attorney's Office and reported that the meetings are going well. Investigator Supervisor, Brian Piper, provided a brief summary of the meetings. Director O'Bryant ensured the Commissioners that unlicensed activity remains a priority for the Department and the Division and that the Division has seen improvement. Director O'Bryant and Ms. Koeberich addressed additional questions from the Commission.

Section 475.17, F.S.

Executive Director O'Bryant stated that raising the qualifications to become a broker is one of the items the Commission requested the Division to research. Director O'Bryant requested the Commission provide suggestions or set parameters by which the Division may follow for increasing requirements to become a real estate broker. In addition, what the Commission is looking for in relation to time, education and experience.

Mr. Dick Fryer, stated he serves as the Business Issues Subcommittee Chairman for the Florida Association of Realtors (FAR) and further stated that the general membership of FAR wants the requirements for becoming a broker to be increased. Mr. Fryer added that FAR would like to work in conjunction with the Division and Commission in putting together a proposal to the Legislature to increase the requirements. Mr. Fryer reported that many years ago there was a requirement for experience wherein the sales associates were audited, however, the brokers would not cooperate in verifying transactions and so the law was changed. Mr. Fryer stated that since the Division now has a model for auditing appraisers perhaps there is a way to restructure that process accordingly for sales associates.

Director O'Bryant stated that the Division is required to audit 100% of the real estate appraisers requesting to upgrade from a trainee appraiser. Director O'Bryant explained that when the appraisers are audited they must submit their experience log, from that the Division will randomly pull various appraisals from the log and request that the appraiser submit the selected appraisals which the Division reviews to ensure that the appraisals meet the requirements of Federal guidelines and Chapter 475, Florida Statutes. Director O'Bryant reported that auditing would certainly have a budget impact, so the Division would need to move forward quickly in putting together the cost factors so as to include budget requirements in the Legislative proposal package for the Legislative agenda.

Commissioner Hogan stated that since appraisers have 2 years, real estate should have at least 36 months as real estate is more diverse and has many nuances, whereas appraising is more specialized. Commissioner Veissi stated that she understands the 2-year requirement, as the appraisers have Federal guidelines that the Division must follow. Commissioner Veissi stated that there is no way the Division could conduct 100% auditing, however, the Division could simply state it will conduct audits and not indicate it would be random audits.

Director O'Bryant stated that it is the opinion of the Division that once experience requirements are set, the experience logs should be required when an individual applies for a broker's license and then the Division could audit 25% of the broker applicants. Additional comments were received from the Commission and members of the audience.

Director O'Bryant requested that the Commission take this in segments in setting some parameters to address time, experience and education. The Commission provided the following suggestions:

- Time - Somewhere between two and three years. Commissioner Veissi suggested the Commissioners set the parameters; however, they should wait to hear from FAR before voting on the criteria.
- Experience – The Commission agreed there should be a minimum number of certain transactions. Mr. Fryer suggested taking a look at the models of other states. Director O'Bryant asked the Commissioners to consider things such as what types of practical experience may be required and how the experience would be documented. Chair Hornsleth stated he would like to hear FAR's opinion on this as well.
- Education – The Commissioners suggested the education be over and above post-licensing or possibly breakup the additional education over a period of three years. Chair Hornsleth suggested increasing pre-licensing education. Mr. Fryer stated that other states

have models which require additional education and which are broken up into segments over a certain time frame.

Director O'Bryant stated that they will work with FAR to bring something back to the Commission and this will definitely be on the Division's legislative agenda.

Cost Analysis

Director O'Bryant presented the cost analysis report the Commission requested for the meetings held in Pensacola and in Gulfport. Chairman Hornsleth stated that he knows that Governor Crist, Lieutenant Governor Kottcamp and Secretary Benson encourage bringing government to the people. Chair Hornsleth would encourage conducting a meeting away from the Orlando headquarters once every three months. Director O'Bryant stated that FREC meetings are an educational opportunity and now that continuing education credit may be provided for attendance, believes that it is prudent to at least conduct meetings in various locations throughout the State to provide this continuing education opportunity to all licensees regardless of their ability to travel.

Chair Hornsleth stated that the Lieutenant Governor expressed interest in having the FREC meeting in the Ft. Myers area and suggested making this a priority. Chair Hornsleth asked if the next on-the-road FREC meeting be scheduled for August. Director O'Bryant stated that August would be difficult and that the Division is looking at October.

Commissioner Hogan moved to approve scheduling FREC meetings at various locations throughout the State on a quarterly basis during the next fiscal year. Vice-Chair Ellis seconded the motion. The motion carried unanimously.

Financial Report

Director O'Bryant presented the Quarterly Financial Report for the nine months ending March 31, 2007. Director O'Bryant addressed questions from the Commission. Commission Veissi asked what impact it would have if the Commission voted for another 2-year fee holiday. Director O'Bryant stated that would probably put the Division's financial stability in jeopardy and suggested the Commission has the privilege to cut the fee in half. Commissioner Veissi asked Director O'Bryant to provide a projection of the impact for a partial fee cut. Commissioner Veissi commended Director O'Bryant for providing this information. Director O'Bryant encouraged the Commissioners to send him an email should they have any additional questions regarding the Financial Report.

Course Denial

Director O'Bryant presented for the consideration of the Commission, denial of the continuing education course titled "Instinct Driven Success". Commissioner Hogan moved to deny the education course. Vice-Chair Ellis seconded the motion. The motion carried unanimously.

Ratification

Director O'Bryant requested the Commission ratify reinstatement of the real estate licenses of Lynn J. Rhinehart and Paul LeShea Turner, who have met all requirements for reinstatement. The Commission ratified the actions unanimously.

Director's Comments

Director O'Bryant provided a brief update regarding the following topics:

- Conference Room Sound System – A new sound system will be installed within the next few months.
- Instructor Seminars – Three of the seven Instructor Seminars have been completed. Commissioner Veissi commended the Division on the Instructor Seminar she attended commenting that it was outstanding and that she spoke with many people who expressed the same sentiments.
- New Positions – The Division started the hiring process to fill the five new positions, recently approved by the Legislature.
- Facilities – The Division is in the process of procuring new facilities and reorganizing current spaces throughout the State to accommodate needs for upgrading and inadequate spacing issues. Additional space is needed to accommodate new positions and to bring the investigators back into the offices. The Miami investigative office will be moving into a new facility in July. Additionally, the Division headquarters in Orlando will take over the entire 8th floor, which will facilitate grouping staff by sections appropriately.
- Unlicensed Activity Public Service Announcement (PSA) – The Department has completed production of a new unlicensed activity PSA that features Donald Trump. The Department is grateful that Mr. Trump has graciously donated his time.
- 2008 Legislative Session – The Division is working on the Legislative agenda for the 2008 Session and that the Division will be working closely with FAR to ensure that common goals are consistent as we believe that collaborative efforts will benefit all licensees.
- Performance Measures and Outcomes – The monthly report of the Division's performance measures and outcomes have been put into place per the Governor's initiatives. As soon as the report is fine-tuned, it will be submitted to the Commissioners on a monthly basis, so they can see what kind of work the Division is doing. Moving forward, performance measures and outcomes will be tied together with the budget.

The Commission thanked Director O'Bryant for his report.

Escrow Disbursement Orders

Senior Attorney Solla presented 71 Escrow Disbursement Orders (EDO) and 2 Orders for Commission consideration. Mr. Solla reported that item numbers 18 and 55 have been settled and item number 2 from the Orders has been settled. Upon recommendation of the Legal

Section, the Commission issued 69 Escrow Disbursement Orders and 1 Order. The Commission's decisions on these matters are attached to the official minutes maintained at the Division of Real Estate headquarters.

DOAH Recommended Orders - Applicant

Autry v. FREC – DOAH Case No. 07-0587

The Commission considered the Recommended Order of the Division of Administrative Hearings denying Petitioner's application for licensure as a real estate broker. Vice-Chair Ellis moved to accept the Recommended Order. Commissioner Hogan seconded the motion. The motion carried unanimously.

Legal Docket

At approximately 10:15 a.m., the Commission addressed the Legal Agenda, consisting of 65 docket items. The Commission considered 50 docket items and approved the continuance or withdrawal of 15 docket items. The Commission's decisions on these matters are attached to the official minutes maintained at the Division of Real Estate headquarters.

Director O'Bryant reported, as a point of information, that Governor Crist signed into law a bill that allows the Division to grant three hours of continuing education credit for attending the entire day of the legal docket at a FREC meeting. Additionally, to ensure proper credit the licensee is required to provide a seven-day notice.

Chair's Remarks

Chair Hornsleth commended the Commission for approving a fee holiday affecting the past two renewal cycles. He commented that it appears from earlier discussions, the Department may approve a half fee holiday or reduction from the normal fee, which will be welcomed by a lot of people and commended the Commission and Department for this effort in light of the current economic situation.

The Chair adjourned the meeting at approximately 5:30 p.m.

June 20, 2007

Chair Poul Hornsleth reconvened the meeting of the Florida Real Estate Commission to order, at approximately 8:30 a.m., at Orlando, on this 20th day of June, 2007.

The following Commission members were in attendance: Chair Poul Hornsleth, Vice-Chair S. W. Ellis, Nancy B. Hogan and Matey Veissi. Tom Barnhart, Assistant Attorney General, appeared as counsel for the Commission. Mr. Barnhart declared a quorum present.

Division staff present at the meeting: Elizabeth A. Hickman, Deputy Director; James P. Harwood, Chief Attorney; Kathleen Koeberich, Bureau Chief of Enforcement; Bob Minarcin, and Frank Roche, Senior Attorneys; Jeannie Adkinson, Regulatory Specialist III; Janis Dodd, Regulatory Specialist II; Lori Crawford, Regulatory Supervisor/Consultant. American Court Reporting (407.896.1813) provided court reporter services.

Consent Agenda

The Commission considered 29 applicants from the Consent Agenda and required 6 applicants to appear at a future meeting. The Commission's decisions on these matters are attached to the official minutes maintained at the Division of Real Estate headquarters.

Summary of Applicants

At approximately 8:45 a.m. Jeannie Adkinson, Regulatory Specialist III, presented 63 Summary of Applicants requesting to sit for the real estate examination. The Commission's decisions on these matters are attached to the official minutes maintained at the Division of Real Estate headquarters.

Public Comments

Commissioners received comments from the audience members.

Adjournment

There being no further business and no objection, the Chair adjourned the meeting at approximately 1:30 p.m. The next general meeting of the Florida Real Estate Commission is scheduled for July 17 and 18, 2007, at Orlando, Florida 32801.

Poul Hornsleth, Chair
Florida Real Estate Commission

Thomas W. O'Bryant, Jr.,
Executive Director
Florida Real Estate Commission

Respectfully submitted,

Lori L. Crawford
Deputy Clerk, FREC
Regulatory Supervisor/Consultant