



**Executive Summary**  
**State Real Estate Commission**  
**2601 North Third Street**  
**Harrisburg**  
**June 9, 2009**

Present at the regular meeting of the Commission were: Chair Michael Weiss, Vice Chair John McGarry, Secretary Joseph Tarantino, Commissioners Beverly Brookes, Annie Hanna Cestra, Joseph McGettigan, John Sommer, Alexis Barbieri (Office of Attorney General), and Mark Vessella (BPOA Deputy Commissioner). Also present were Commission Counsel Judith Pachter Schulder, Commission Administrator Patricia Ridley, and Real Estate Education Administrator Katie Douglas.

The following key discussions/actions were taken:

1. The Commission adopted the May minutes.
2. Report of Prosecution
  - File 07-56-03783 – This case involves a salesperson who re-financed a property that she herself owned. The deed was filed with the respondent’s boyfriend as co-owner, which was not the respondent’s intent. The respondent then transferred the property to her son for \$1 in compliance with legal advice received. Prosecution referred to this case as a “domestic matter” but seeing as how the respondent is a licensee, it must come before the Commission. Prosecution added that the matter is currently in litigation. Terms of the Agreement: 60-day active suspension which goes into effect if the respondent files for renewal. Commission approved.
  - File 08-56-07178, 08-56-11163 and 08-56-11162 – This case involves a salesperson who practiced on a lapsed license and completed 28 transactions. Prosecution indicated that consent agreements are filed against the salesperson, broker and broker of record. Terms of the Agreement: \$5,600 civil penalty (paid jointly by all parties). Commission approved.
  - File 08-56-05670 – This case involves a salesperson who did not report a felony conviction on their initial application for licensure or their renewal. Terms of Agreement: active suspension of 4 months. Commission approved.
  - File 08-56-12367 – This case involves a licensee who failed to complete 6 hours of continuing education during the last renewal cycle. The incident was caught through the education audit. Terms of Agreement: \$600 civil penalty and public reprimand. Commission approved.
  - File 05-56-11520, 07-56-11989, and 08-56-10672 – This case involves a broker who at the time the complaint was filed acted as a salesperson. The respondent developed a broker-for-hire scheme. (Note: Prosecution did not provide details of the scheme in public session, but directed the Commission’s attention to the consent agreement.) The respondent had access to the broker’s escrow account and withdrew funds to be deposited in their personal account. Terms of the Agreement: \$2,000 civil penalty,

revocation of broker's license, and two-year active suspension of salesperson's license. Commission approved.

- File 06-56-10199 – This case involves a salesperson who acted as a buyer's agent and deposited an escrow check into their personal account. Terms of the Agreement: \$1,000 civil penalty, public reprimand, and two-year active suspension. Commission approved.
3. The Commission engaged in a lengthy discussion with Prosecution regarding property management. Counsel noted that the Commission has discussed concerns that individuals are managing property who do not fall into the exemption in 304 (10). Prosecution indicated that they do receive complaints but that they have all been prosecuted under the current law and regulations. The Commission discussed the Q&A that is provided on the website and noted several areas that should be clarified to further indicate what is considered "brokering" and what is not. The Commission indicated that they would be developing draft regulations in connection with the proceeding conversation.
  4. The Commission inquired of Prosecution whether they are receiving team advertising complaints and whether they are prosecuting them. Prosecution replied that they do receive complaints, are prosecuting them as advertising violations, and are issuing citations. The Commission approved a motion to amend 35.305 (a) to indicate that licensees shall advertise only as the business name listed on their license.
  5. The Commission deemed facts admitted and advised counsel to draft an adjudication and order in the case of Charles Bestwick (File 07-56-03012).
  6. The Commission adopted a draft adjudication and order in the following cases:
    - Steven Farrell (File 04-56-02891)
    - Eugene Thomas Richards, Jr. (File 07-56-05014)
    - Jeanne L. Wysocki (File 06-56-05051)
  7. The Commission renewed their conversation from May regarding transcript requirements. The current provision requires that licensees must provide an original transcript with seal as documentation of education courses. With impending online licensure, the Commission considered if this provision is outdated. Staff provided research for Commission discussion. A motion was made and approved to amend 35.355 to include a signature requirement.
  8. Education and Examination Committee
    - The Commission approved real estate educator applications for HUD and CBT Alliance, LLC.
  9. Rules and Regulations Committee
    - Regulation 16A-5611 (Seller Disclosure) – This regulation would establish a standard Seller Disclosure statement. The Real Estate Seller Disclosure Law provides that the Real Estate Commission shall promulgate regulations. The proposed regulation includes subjects as outlined in 7304(b). The Commission submitted this regulation to interested parties for pre-draft input with comments due April 25, 2007.
      - Most Recent Action: The regulation has remained in the office of general counsel since August 2007.

- Regulation 16A-5613 (Post-Licensure Education) – This regulation establishes a mandatory continuing education class for new licensees which must be completed within the first full renewal cycle. In 2005, this regulation was sent to interested parties as a pre-draft Annex. In June 2005, the Commission approved a motion to adopt the Annex and move forward with the proposed rule.
  - Most Recent Action: In October 2008, the Commission reviewed and approved the proposed outline for the 14 hour required course for new licensees.
- Regulation 16A-5615 (Fees) – This regulation would consolidate the initial licensure fee charged to new applicants from a two-tiered structure to a one-tier structure. The consolidation of these fees will enable the Commission to participate in online initial applications for certain licensure classes since, as currently constructed, the computer system cannot accommodate a two-tiered fee structure.
  - Most Recent Action: In September 2008, this regulation was issued as pre-draft to interested parties. PAR submitted comments in favor of the regulation.
- Regulation 16A-5619 (Property Management) – This regulation would define the term “property manager.”
  - Most Recent Action: In April 2008, the Commission discussed licensure of condominium managers, and put forward the idea of defining the term “property manager.” This regulation is still in the development stages (see #3 above).

10. The Commission cancelled the August meeting.

11. Next Meeting – July 14-15 (Philadelphia).

The foregoing represents the author’s best interpretation of the significant actions and discussions of the Commission. Aside from the meeting agenda, the author receives no supporting documentation or materials in advance of the meeting, nor is the author present during any executive sessions of the Commission. Therefore, this summary may not accurately reflect official actions or positions taken. Official minutes of the proceedings may be secured by contacting the Bureau of Professional & Occupational Affairs.

Document Date: June 9, 2009

For further information, contact Jennifer Shockley, Assistant Director, Government Affairs.