



Executive Summary
State Real Estate Commission
Intermodal Building
208 East Bayfront Parkway, Erie
September 16-17, 2008

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

The following key discussions/actions were taken:

1. The Commission adopted the July minutes.
2. Report of Prosecution
 - File 07-56-09098 and 07-56-09097 – This case involves a broker of record and the brokerage. Both are charged with failure to supervise a salesperson that was charged under a separate agreement. The salesperson failed to disclose dual agency, failed to provide land development documents, and failed to deposit the downpayment within the required number of days. Terms of Agreement: \$3,000 civil penalty. Commission approved.
 - File 05-56-00699 – This case involves a cemetery broker who practiced on an expired license. From 2002-2004, the respondent concluded 70 transactions and did not maintain a perpetual care fund. Terms of Agreement: public reprimand, \$5,000 civil penalty, and creation of perpetual care fund. Commission approved.
 - File 08-56-06072 and 07-56-11460 – This case involves a brokerage and a salesperson that practiced on a lapsed license from June 1, 2006 through December 14, 2007. The salesperson concluded 19 transactions. Terms of Agreement: public reprimand and \$1,000 civil penalty (brokerage); public reprimand and \$3,500 civil penalty (salesperson). Commission approved.
 - File 05-56-10665 – This case involves a salesperson who practiced from June 2004 through November 2005 on a lapsed license. A total of 16 transactions were concluded. Terms of Agreement: \$2,400 civil penalty. Commission approved.
 - File 07-56-12496 – This case involves a buyer's agent who negotiated for advanced time to move a buyer's personal belongings into the new property. The salesperson provided a key to the property to the buyers without permission from the seller. The buyers arrived at the property to find the seller still in residence. An agreement was negotiated between the buyer's agent and the seller's agent. The salesperson has no previous discipline with the Commission. Terms of Agreement: public reprimand and \$1,750 civil penalty. Commission denied as too excessive.

- File 05-56-07292 – This case involves a dispute between a listing agent and a client. The client became dissatisfied with the respondent and asked to be released from their contract. The property was then sold, and the respondent felt that money was still owed to them. The respondent then sent fraudulent debt collection letters to the client to collect money, which the client paid. This case was before the Commission in January 2008. The original consent agreement was denied as too lenient. Terms of the new agreement are a 2 year active suspension with 6 months active status and 18 months on probationary status. Commission approved.
 - File 05-56-06153 – This case involves a salesperson who colluded with a buyer to get a lower sales price. The buyer persuaded the seller to drop the asking price, stating that the appraisal was too high based on comparables. A civil suit was also filed in this case and was settled in court. Terms of the Agreement: \$1,000 civil penalty and \$500 costs of investigation. Commission denied as too lenient.
3. The Commission adopted an adjudication and order in the following cases:
 - Pedro J. Garcia (File 07-56-06439)
 - Thomas E. Huyett (File 06-56-06656)
 - Shafer Yasin (File 07-56-12114)
 4. The Commission deemed facts admitted and authorized counsel to prepare an adjudication and order in the following cases:
 - Kyle D. Fleming (File 06-56-00875)
 - Frank R. Peperno (File 05-56-06819)
 5. The Commission adopted a motion to vacate the hearing examiner’s report in the case of Bethany Specht (File 05-56-05850).
 6. The Commission revised the meeting dates for 2009 as follows:

<ul style="list-style-type: none"> • January 27-28 • February 10-11 (cancelled) • March 9-10 • April 14-15 • May 12-13 (Pittsburgh) • June 9-10 	<ul style="list-style-type: none"> • July 14-15 (Philadelphia) • August 11-12 (tentative) • September 22-23 (Erie) • October 13-14 • November 10 • December 8-9
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 7. Report of Deputy Commissioner
 - Online Applications – the department has almost completed the process of placing initial licensure applications on the Commission’s website. The hurdle is with the current two-year fee structure that requires applicants to pay one hundred percent of the biennial renewal fee if they are applying in the first year of the two-year renewal and fifty percent of the biennial renewal fee if they are applying in year two of the two-year renewal. A motion was approved to amend Section 203 of the Rules and Regulations to adopt a standard fee structure.
 8. Report of Education Administrator
 - Status Report on C.E. Audit – out of 508 respondents, 371 passed the audit, 3 failed the audit, 108 have discrepant responses, and 26 asked for extensions.

- The VEAC submitted a proposed 14 hour required course for new licensees to be reviewed by the Commission. The Commission discussed the proposal and felt that some topics contained much detail, while others provided little. A committee of Commissioners was formed to condense the proposal, and provide feedback for the October meeting.
9. Education and Examination Committee
- Approved the Lehigh Valley Real Estate Learning Center, LLC as a real estate education provider.
 - Approved the Greater Philadelphia Realty School LLC as a real estate education provider subject to the receipt of a surety bond.
 - Denied the continuing education courses “The Appraiser as an Expert Witness” and “Introduction to Expert Witness Testimony” as they center on appraisal practice, not real estate.
10. 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: In August 2007, the Commission discussed the incorporated changes in a new draft provided by counsel. The Commission adopted the regulation in proposed form. It was sent to the general counsel’s office for review.
 - 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 July 2008, VEAC provided a proposed course for Commission review.
 - Regulation 16A-5614 (Consumer Notice) – This regulation will streamline the current Consumer Notice to make it more “user-friendly” for both consumers and licensees. A draft copy was sent to interested parties for pre-draft input; PAR provided comments which were adopted with one exception. The Commission adopted the amended annex in March 2006.
 - Most Recent Action: In September 2008, the regulation was approved by the office of general counsel, and submitted to the House and Senate Professional Licensure Committees as well as IRRC for approval. The regulation should be final by the end of the year.
 - Regulation 16A-5615 (Fees) – This regulation would delete the provision that if an individual applies for licensure in the second year of a renewal that they pay a reduced fee. The proposal would have all applicants pay the full fee no matter when during the cycle they apply. The Commission sent the regulation out for pre-draft input and received positive comments. The Commission approved a motion to adopt the regulation in proposed format.

- Most Recent Action: In August 2007, counsel reported that since this regulation had not been discussed since 2005, the budget office had to recalculate the figures for accurate numbers.
- Regulation 16A-5616 (Team Advertising) – This regulation would incorporate the Commission’s existing Team Advertising Policy into their regulations. A draft was reviewed and tabled in May 2006.
 - Most Recent Action: Since May 2006, no further action has been taken.
- 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.

11. Next Meeting – October 16, 2008.

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.

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