

Nevada Real Estate Commission
January 9, 2006
Bradley Building
2501 E. Sahara Avenue
2nd Floor Conference Room
Las Vegas, NV 89104

MINUTES

9:30 a.m.

Monday, January 9, 2006

President Rossum opened the meeting at 9:28 a.m.

(1) **COMMISSION/DIVISION BUSINESS**

INTRODUCTION OF COMMISSIONERS IN ATTENDANCE

Beth Rossum, Lee Gurr, Charlie Mack and Kateri Cavin, Deputy Attorney General, acting as Commission counsel were present in Las Vegas. Curry Jameson and Ben Green were present in Carson City.

INTRODUCTION OF DIVISION STAFF IN ATTENDANCE

Gail Anderson, Administrator; Pam Riebe, Chief Investigator; Matt DiOrio, Education and Information Officer; Susan Clark, Licensing Manager; Christine Guerci, Sr. Deputy Attorney General acting as Division Counsel; Joanne Gierer, Legal Administrative Officer; Alicia Stevenson, Commission Coordinator. Lisa Young, Deputy Administrator, was present in Carson City.

(3) **LICENSE/DENIAL**

**3-1. Haack, Jennifer
Case No. S-LDA-06-009**

Jennifer Haack was present and was not represented by an attorney.

Susan Clark explained to the Commission the reason Ms. Haack was denied her application for a license.

President Rossum asked Ms. Haack if she would like to address the Commission.

Ms. Haack distributed character letters from people she has known for many years and who would vouch for her as a person. Ms. Haack stated she was told by the District Court clerk that her record was expunged. Ms. Haack stated that her record is deleted and destroyed as if it never occurred. Therefore, she felt she did not have to reveal the information on her application.

President Rossum explained to the Commissioners in Carson City that a copy of the character letters would be faxed to them for their review.

President Rossum asked the Commissioners in Las Vegas if they had any questions or comments.

While the fax was being sent, Commissioner Jameson introduced Kip Steele, the new Compliance Investigator for the Real Estate Division and Chris Cooke, the new Compliance Investigator for the CIC Commission.

President Rossum asked the Commissioners in Carson City if they had a chance to review the faxed documents and if there were any questions.

Commissioner Jameson asked Ms. Haack what was her relationship Nancy Haack. Ms. Haack stated that Nancy Haack is her mother-in-law and is a well known real estate agent in the North area and in Las Vegas.

President Rossum asked Ms. Haack if she had anything further to say to the Commission. Ms. Haack stated that she made mistakes when she was young but she did not intend to hide information from the Division and it was not her intention to mislead anyone.

Commissioner Mack motioned that the license denial appeal be granted. Commissioner Jameson seconded. Unanimous decision.

**3-2. McClintock, Carlos
Case No. S-LDA-06-011**

Carlos McClintock was present and was not represented by an attorney.

Susan Clark explained to the Commission that the reason Mr. McClintock was denied his application for a license was that Mr. McClintock is currently attending classes for a battery conviction and has a long range of charges and convictions from 1993 to 2004.

President Rossum asked Mr. McClintock if he would like to address the Commission. Mr. McClintock stated that most of the arrests were when he was a T-shirt vendor at concerts and sporting events. Mr. McClintock stated that he was to understand that as long as he had no felony convictions he could apply.

President Rossum asked the Commissioners if there were any questions. Commissioner Mack asked Mr. McClintock if he was currently on probation and if not, when would the class be completed. McClintock stated that he has mandatory classes, not probation and that he has 10 more classes of domestic violence.

Commissioner Mack read NRS 645.330 and stated that Mr. McClintock cannot be considered for a license until 3 years after he has completed the court ordered class.

President Rossum asked the Commissioner's if there were any more questions. Commissioner Green motioned to deny license. Commissioner Mack seconded. Commissioner Gurr stated that she has a real concern about Mr. McClintock's pattern of violence and would not be in favor of granting Mr. McClintock a license even if he were 3 years post.

President Rossum asked the Commissioners if there any further questions or comments. Commissioner Jameson stated that he has the same concern as Commissioner Gurr and voted for denial of license. Unanimous decision.

3-3. Moreno, Stacey
Case No. S-LDA-06-010

Stacey Moreno was present and was not represented by an attorney.

Susan Clark explained to the Commission the reason Ms. Moreno was denied her application for license. Ms. Clark stated that Ms. Moreno has two convictions for shoplifting in 1998, driving with stolen plates and a driver's license suspension in 2004.

President Rossum asked Ms. Moreno if she would tell the Commission why she would like to have a license. Ms. Moreno explained the charges and that she plead guilty and was ordered to pay fines. Ms. Moreno stated that the license was suspended until she finished paying off the fines. Ms. Moreno stated that in 2004 she had warrants and tickets and she didn't have the money to pay at that time. Ms. Moreno stated that she kept missing court dates and kept getting more and more warrants.

Arlene Larkin, Broker licensee and real estate agent since 1997, spoke on behalf of Ms. Moreno's character.

Commissioner Mack stated that there seems to be a difference in dates from what Ms. Moreno stated regarding the 2004 charges. Susan Clark stated that Ms. Moreno indicated on the application 2004 for charges but the Division has the background report which indicates possession of stolen property dated 2004.

Ms. Moreno stated that the shoplifting fines were paid off in 2004 and the stolen plates did in fact occur in 2004.

Commissioner Mack stated that if the fines were not paid until 2004, according to NRS 645.330, Ms. Moreno cannot be licensed until 3 years after the fine has been paid, which will be some time in 2007.

Commissioner Gurr moved to deny the license appeal. Commissioner Mack seconded. Unanimous decision.

President Rossum asked the Commissioners if there was any discussion. Commissioner Green stated that if the Statutes did not indicate the 3 year limit he would not be in favor of licensing Ms. Moreno based on the warrants and suspended license being a serious offense in itself.

President Rossum asked the Commissioners if there were any other comments. Unanimous decision.

3-4. Lopez, Salvador
Case No. N-LDA-06-01

Salvador Lopez was present in Carson City via video and was not represented by an attorney.

Susan Clark explained to the Commission the reason that Mr. Lopez was denied his application for a license. Mr. Lopez was convicted for 2nd degree murder and was given a 15 year sentence and was released from probation on 3/23/03.

President Rossum asked Mr. Lopez if he would like to address the Commission. Mr. Lopez stated that he pled guilty to an auto accident where someone died and he was released in 1998 and ended parole in 1999. Mr. Lopez stated that he passed a background check for the post office where he is working now.

President Rossum asked the Commissioners if they have questions. Commissioner Green asked Mr. Lopez what his position is at the post office? Mr. Lopez stated that he is a rural letter carrier.

Commissioner Jameson stated to Mr. Lopez that his background check shows that he was accused of being involved with a controlled substance. Mr. Lopez explained that the charges occurred when he was growing up in a bad neighborhood and at the age of 18. Mr. Lopez stated that he quit drinking after the accident.

Commissioner Gurr stated that the certificate of discharge shows an effective date of March 23, 2003 and that Mr. Lopez will be eligible under the Nevada Statute as of March 2006. Commissioner Gurr also stated that at this point the Division will have to support the denial and suggests that Mr. Lopez reapply after March 23rd.

Commissioner Green asked Ms. Cavin if the Commission could conditionally approve Mr. Lopez's license to be effective March 2006. Ms. Cavin stated that the procedure would be to deny the license and then allow Mr. Lopez to come back after March 23, 2006, to the next scheduled meeting for an appeal.

Commissioner Green moved for denial of licensing. Commissioner Gurr seconded for discussion. Commissioner Gurr spoke against the motion she just seconded stating that it might be clearer overall to continue Mr. Lopez's appeal to the April 18th meeting as opposed to making Mr. Lopez file a new application.

Commissioner Mack agreed with Commissioner Gurr and stated that if the Commission continued the appeal in April, it would be a black mark on Mr. Lopez's record to have the appeal rejected now.

Commissioner Green withdrew the motion for denial. Commissioner Gurr seconded.

Commissioner Mack moved that the license denial appeal be continued to the April hearing. Commissioner Green seconded. Unanimous decision.

President Rossum explained to Mr. Lopez that his appeal will be heard again in April and that he will not have to file any more paperwork.

(4) EDUCATION: CONSENT AGENDA
New Real Estate Continuing Education

1. Professional Training Center "Lending Laws"
Request: 3 hrs. General
2. Professional Training Center "Loan Products"
Request: 3 hrs. General
3. Great Basin Realty "Nevada Legislative Update-Bills, Laws, Regulations, Forms"
Request: 3 hrs. Law Update
4. Great Basin Realty "Broker Management-Managing and the Rules"
Request: 3 hrs. Broker Management

5. Greater Las Vegas Association of REALTORS “The Laws and Regulations: So Important to our Profession and License”
Request: 3 hrs Ethics
6. Reno/Sparks Association of REALTORS “Landlord/Tenant Laws: Know the Laws-Be Proactive”
Request: 4 hrs Ethics/Property Management
7. Tigor Tile of Nevada, Inc. “Agency for Today’s Licensee”
Request: 3 hrs Agency
8. National Real Estate Institute “The Truth About Mold”
Request: 3 hrs General Internet
9. Arens and Arens “A to Z of Contracts”
Request: 4 hrs Contracts
10. Arens and Arens “Nevada Legislative Update 2006”
Request: 4 hrs Law Update

President Rossum asked the Commissioners if they had anything they wished to pull from the Consent Agenda.

Commissioner Mack pulled course item 8 for discussion. Commissioner Jameson pulled course item 7 for discussion.

Commissioner Mack motioned to approve consent agenda course items 1-6 and items 9 and 10. Commissioner Gurr seconded. Motion passed unanimously.

Discussion ensued on course item number 7 regarding the qualifications that authorize the instructors to teach the course. Commissioner Mack moved to approve item 7. Commissioner Gurr and Commissioner Jameson seconded. Motion passed unanimously.

Discussion ensued on course item 8 regarding distance education certification requirements. Commissioner Mack moved to approve course item 8. Commissioner Gurr seconded. Motion passed unanimously.

New Pre-Licensing Education Course

1. Welcome Home School of Real Estate “Real Estate Principles and Practices”
Request: 45hrs
2. Welcome Home School of Real Estate “Nevada Real Estate Licensing Law”
Request: 45 hrs
3. Liberty Real Estate School “Broker Management”
Request: 45 hrs

Commissioner Gurr asked if course item 3 will be held in Las Vegas and if it is a part of Liberty Realty group itself? Matt DiOrio replied that Liberty Real Estate School is owned by the same individual(s) who own Liberty Realty Company.

Commissioner Mack moved to approve course items 1-3 per staff recommendation. Commissioner Gurr seconded. Motion passed unanimously.

Commissioner Gurr stated that she has a concern about course item 3. President Rossum asked Commissioner Mack to withdraw his motion and Commissioner Gurr withdrew the second.

Commissioner Gurr moved to approve course items 1 and 2. Commissioner Jameson seconded. Motion passed unanimously.

Commissioner Gurr stated her concerns regarding course item 3 and asked Ms. Anderson and Mr. DiOrio about the instructors. Kateri Cavin stated that the instructors were not present and should be in attendance for discussion of course item 3.

Commissioner Gurr moved for a continuance for course item 3 until such time as the instructors can be given proper notice. Commissioner Mack seconded. Motion passed unanimously.

(5) **EDUCATION: DISCUSSION AGENDA**
New Real Estate Continuing Education Course

1. Professional Training Center “Lending Language: How to Talk Like a Loan Officer”
Request: 3.5 hrs General
2. Professional Training Center “Loan Orientation Process and How to Complete the 1003 Loan Application”
Request: 3.5 hrs General
3. Professional Training Center “Credit Reports: Truth and Myths”
Request: 3.5 hrs General
4. Professional Training Center “Qualifying a Customer: How Much Can They Really Afford”
Request: 3.5 hrs General
5. Professional Training Center “How to Read a Rate Sheet”
Request: 3.5 hrs General
6. Professional Training Center “Basic Documentation and Underwriting Guidelines”
Request: 3 hrs General
7. Martinez & Payan, LLC “Getting Started: New Real Estate Agent’s Guide to Taxes & Being Self Employed”
Request: 3 hrs General
8. Martinez & Payan, LLC “Unlocking the Power Behind Like Kind Exchanges for the Real Estate Professional”
Request: 3 hrs General
9. Martinez & Payan, LLC “Decoding the LLC & S-Corp for the Real Estate Professional and Real Estate Investor”
Request: 3 hrs General
10. Southwest Exchange Corporation “Real Estate and Taxes! What Every Agent Should Know”
Request: 4 hrs General
11. American Career Institute “Nevada Law Update 2005”
Request: 3 hrs Law Correspondence

Gail Anderson read the Division’s recommendations for course item 1 and stated that the course is oriented to a loan officer’s work and is not appropriate for general education for real estate license renewal. The recommendation is for approval for Module M, classroom.

Mr. Osbeck, the instructor of this course, was present and replied to Ms. Anderson’s comments stating that the courses are attended by real estate agents because they want more information on the loan process because of the lack of qualified loan officers in town.

Commissioner Jameson commented on the title and the terminology of the course. Mr. Osbeck responded to Commissioner Jameson's comments and stated the course covers the terminology that is used in the lending business and it would help the real estate agent understand the terms used.

Commissioner Mack stated that he does not see the class being a benefit to anyone who has had a real estate license for more than one year.

Commissioner Gurr moved to approve course item 1 for 3 hours post licensing, Module M. Commissioner Mack seconded. Motion passed 4 – 1.

Ms. Anderson read the Division's recommendation for denial of course item 2 stating that the course is for loan officers not real estate licensees and is not appropriate for continuing education or post licensing.

Commissioner Green motioned to deny course item 2. Commissioner Gurr seconded for discussion stating Mr. Osbeck has not responded.

Discussion ensued with Mr. Osbeck, Commissioner Gurr and Commissioner Jameson regarding course item 2.

President Rossum asked the Commissioners if there was any other discussion regarding the motion to deny. Motion passed unanimously.

Commissioner Gurr motioned to deny course items 3-6 based upon state recommendation. Commissioner Jameson seconded. Motion passed unanimously.

Ms. Anderson read the Division's recommendation for denial of course item 7 for general real estate education but recommends 3 hours personal development.

The instructor, Mr. Payan, was present and stated that his company has gotten significant feedback from brokers that the real estate agents were benefiting greatly from the course.

Commissioner Mack stated he agrees that course item 7 does not provide general continuing education but motioned that the course be approved for 3 hours personal development. Commissioner Gurr seconded. Motion passed unanimously.

Ms. Anderson read the Division's recommendations for 3 hours approval for course item 8.

Commissioner Gurr moved to approve per Division staff recommendation of 3 hours general. Commissioner Mack seconded. Motion passes 4-1.

Ms. Anderson read the Division's recommendation for course item 9 for denial of general credit but recommends approval for personal development. Commissioner Gurr, Commissioner Jameson and Commissioner Mack commented and agreed that the course is too in-depth.

Mr. Payan responded stating that the course was designed to help the agent answer the most preliminary introductory questions posted by their clients as they are out showing properties and talking with them.

Commissioner Green motioned to deny course item 9. Commissioner Jameson seconded. Motion passed unanimously.

Ms. Anderson read the Division's recommendation for denial of course item 10 because it is very technical in giving advice on tax strategies. The instructor was not present for discussion.

Commissioner Jameson moved to deny course item 10. Commissioner Gurr seconded. Commissioner Mack stated that he denies course item 10. Motion passed unanimously.

Ms. Anderson read the Division's recommendation for denial of course item 11 and stated the sponsor concurs and will attempt to write a new course.

Commissioner Gurr moved to deny course item 11 per Division staff recommendation. Commissioner Green seconded. Motion passed unanimously.

Appealed Real Estate Continuing Education Courses

1. Key Realty School "The Generic Residential Purchase Agreement"
Request: 3hrs Contracts/Correspondence
2. ABC Real Estate School "Business Fundamentals"
Request: 3 hrs Broker Management/Correspondence
3. ABC Real Estate School "Practical Applications-Contracts"
Request: Amended to 5 hours Contracts/Correspondence

Ms. Anderson read the Division's reason for previous denial of course item 1 and stated the materials have been resubmitted and the recommendation is for approval.

Commissioner Gurr motioned to approve course item 1 and would like discussion. Commissioner Green seconded.

Commissioner Gurr asked Ms. Anderson questions regarding the previous denial and the resubmission. The instructor was not present for discussion.

President Rossum asked the Commissioners if there was further discussion needed. Motion was voted on. Motion passed unanimously.

Ms. Anderson read the Division's reason for previous denial of course item 2. Materials have been resubmitted and Ms. Anderson recommends approval.

Commissioner Gurr moved for approval for course item 2 per Division staff recommendation. Commissioner Green seconded. Motion passed unanimously.

Ms. Anderson read the Division's reason for previous denial of course item 3. Materials have been resubmitted and Ms. Anderson recommends approval.

Commissioner Mack moved to approve course item 3 per Division staff recommendation. Commissioner Gurr seconded. Motion passed unanimously.

**COURSES CONTINUED FROM THE NOVEMBER
Hearing-New Real Estate Continuing Education**

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|-----|--|-------|--------------------|
| 1. | ABC Real Estate School “Nevada Law Update” | | |
| | Request: | 6 hrs | Law/Correspondence |
| 2. | Great Basin Realty Company “Agency A-Z” | | |
| | Request: | 3 hrs | Agency |
| 3. | Steven Kitnick Seminars, Inc. “CYA 101: Covering Your Assets!” | | |
| | Request: | 3 hrs | General |
| 4. | Steven Kitnick Seminars, Inc. “CYA 102: Covering Your Assets!” | | |
| | Request: | 3 hrs | General |
| 5. | 360 Training “Contracts, Purchase and Sale Agreements” | | |
| | Request: | 4 hrs | Contracts/Internet |
| 6. | 360 Training “Using the Internet to Serve Clients” | | |
| | Request: | 4 hrs | General/Internet |
| 7. | 360 Training “Environmental Hazards” | | |
| | Request: | 4 hrs | General/Internet |
| 8. | 360 Training “Asset Management” | | |
| | Request: | 3 hrs | General/Internet |
| 9. | 360 Training “Fair Housing” | | |
| | Request: | 4 hrs | General/Internet |
| 10. | Agent Campus.com | | |
| | Request: | 4 hrs | Contracts/Internet |
| 11. | Agent Campus.com “Using the Internet to Serve Clients” | | |
| | Request: | 4 hrs | General/Internet |
| 12. | Agent Campus.com “Environmental Hazards” | | |
| | Request: | 4 hrs | General/Internet |
| 13. | Agent Campus.com “Asset Management” | | |
| | Request: | 3 hrs | General/Internet |
| 14. | Agent Campus.com “Fair Housing” | | |
| | Request: | 4 hrs | General/Internet |
| 15. | Nancy Scobee “Tag You Are It” | | |
| | Request: | 3 hrs | General |

Ms. Anderson read the Division’s request to continue course item 1 until the next meeting due to the sponsor submitting a revised course and the Division has not reviewed the amendments made to the course.

Commissioner Gurr moved to continue course item 1 to the next Commission meeting being held in February. Commissioner Mack seconded. Motion passed unanimously.

Ms. Anderson read the Division’s recommendation for approval of course item 2.

Commissioner Gurr moved to approve course item 2 per Division staff recommendation. Commissioner Mack seconded. Motion passed unanimously.

Ms. Anderson read the Division’s recommendation for approval of course items 3 & 4 amendments.

Commissioner Gurr moved to approve course items 3 & 4 per Division staff recommendations. Commissioner Green seconded. Motion passed unanimously.

Ms. Anderson stated that there are several courses on the agenda for 360 Training and identical courses for Agent Campus.com. Ms. Anderson stated that 360 Training is the primary education development provider and Agent Campus.com is the outlet which sells directly to students. Ms. Anderson read the Division's recommendation for denial of course item 5 because it is pre-licensing material and not appropriate for continuing education and cannot be considered for distant education.

Commissioner Mack moved for denial of course items 5 & 10 per Division staff recommendations. Commissioner Gurr seconded. Motion passed unanimously.

Ms. Anderson read the Division's recommendation to approve 3 hours of personal development for course items 6 & 11.

Commissioner Gurr moved to deny course items 6 & 11. Commissioner Mack seconded and stated that course items 6 & 11 are not personal development. Discussion ensued regarding the classes. Motion was voted on. Motion passes 4-1.

Ms. Anderson read the Division's request to continue course items 7 & 12 until the next meeting. The instructor was notified of intent to discuss and was mailed a waiver which has not been returned by the instructor. Request for continuance until 30 days have passed for the intent to discuss with instructor before any further comments on the courses.

Commissioner Mack moved to continue course items 7 & 12. Commissioner Green seconded. Motion passed unanimously.

Commissioner Gurr motioned that course items 8, 9, 13 and 14 be continued until the next scheduled meeting to allow time for appropriate notice to instructors. Commissioner Green seconded. Motion passed unanimously.

Ms. Anderson stated that based upon the facts the Division provided to the sponsor for recommendation, the sponsor wishes to withdraw course item 15. The Division recommends that upon acceptance of withdrawal of the class, a new application be submitted and not appealed.

Commissioner Gurr moved to deny course item 15 and should the sponsor wish to resubmit the course it must be done on a new original application and not on appeal. Commissioner Green seconded. Motion passed unanimously.

Change of Hours Continuing Education Course

1. Neibaur & Neibaur Seminars "Our Agency Dilemma"
Request: 3 hrs effective January 1, 2006
2. Great Basin Realty Company "Skills to Improve Your Real Estate Services & Your Real Estate Career"
Request: 3 hrs Personal Development

Ms. Anderson read the Division's recommendation for approval of hour change to 3 hours agency in the classroom for course item 1.

Commissioner Gurr moved to approve course item 1 to change hours to 3 hours for agency. Commissioner Mack seconded. Motion passed unanimously.

Ms. Anderson stated that course item 2 was approved for 4 hours at the November meeting and she did not catch this course in her recommendation. Ms. Anderson stated that there will be confusion if 4 hours is put on the certificate. The sponsor agreed to change to 3 hours.

Commissioner Gurr moved for approval of course item 2 to be changed to 3 hours personal development. Commissioner Green seconded. Motion passed unanimously.

Appealed Real Estate Continuing Education Courses

1. Century 21 Advantage Gold “Presenting a Purchase Agreement”
Request: 3 hrs Contracts
2. Vegas Seminar “Crystal Ball Seminar”
Request: 3 hrs General
3. CLE International “Western Water Law”
Request: 14 hrs General
4. Financial Solutions, Inc. “Investing in Real Estate with IRA Funds”
Request: 3 hrs General
5. First Centennial Title Company “Understanding Foreclosures/Listing Manufactured Homes and Understanding the Conversion Process”
Request: 3 hrs General

Ms. Anderson read the Division’s recommendation for approval for post licensing Module A for course item 1.

Commissioner Gurr moved to approve course item 1 for 3 hours post licensing Module A. Commissioner Green seconded.

A lengthy discussion ensued with the Commissioners and Deanna Morrowitz, Legal Counsel to the Greater Las Vegas Association of Realtors regarding the use of copyrighted forms of the Greater Las Vegas Association of Realtors.

President Rossum stated that there is a motion on the floor with a friendly amendment that has now changed and asked the Commissioners if they wanted to vote on the motion and start over.

A vote was made on the original motion with the friendly amendment. Motion failed 3-2.

Further discussion ensued on course item 1 regarding the coversheet and the purchase agreement with the Commissioners and Ms. Anderson.

Commissioner Green motioned to approve with condition on an audit at presentation and permission of GLVA . Commissioner Mack seconded. Unanimous decision. Motion passes.

Ms. Anderson read the Division’s reason for denial for course item 2. The Division has reviewed and resubmitted the course restructure to include Northern Nevada information and recommend approval.

The course instructor, Mr. Bottfield, was present and stated that Northern Nevada material has been incorporated and will hold a course in the Reno/Sparks area.

Commissioner Mack motioned to approve for course item 2. Commissioner Gurr seconded. Motion passed unanimously.

Ms. Anderson read the Division's denial of course item 3 because it was retroactive when originally submitted. There was some feedback between the Division and the sponsor that did not allow the course to get back on the agenda in a timely manner. Ms. Anderson recommended a one time offering of September 15 -16, 2005.

Commissioner Gurr and Commissioner Mack had some discussion on course item 3 regarding the request for 14 hours.

Commissioner Mack motioned for retroactive approval course item 3 for 6 hours general. Commissioner Gurr seconded. Motion passed unanimously.

Ms. Anderson read the Division's recommendation for denial of course item 4.

The course instructor, Joe Luby, was present and stated that the class was originally recommended for approval and an appeal was filed. Mr. Luby explained the intention of the class and the difference between the transaction types and how it would benefit the agents.

President Rossum stated that she has taken the class and it is very informative, very basic and it was an excellent class. Discussion ensued with Commissioner Jameson who is in support of the course and Commissioner Green who has some concerns with IRA and personal funds joining with other investors and securities exchange.

Commissioner Mack asked if it would be appropriate to approve the course for a one time offering with an audit. Commissioner Gurr stated she would be more comfortable with approval for a one time audit by someone who doesn't have property in an IRA.

Commissioner Gurr moved to approve course item 4 for 3 hours general on a one time offering with an audit by a real estate licensee. Commissioner Jameson seconded.

President Rossum asked Ms. Anderson if the course is approved as a one time offering, would the instructor have to come back to the Commission to be re-approved if the auditor states that it is a great class? Ms. Anderson stated that the procedure for a one time offering is that the audit report be provided to the Commission and the item would be placed back on the agenda for consideration based upon the audit.

The motion was voted on. Motion failed 3-2.

A second motion was made by Commissioner Jameson to approve course item 4 for 3 hours general subject to an audit and that the course will not be given until an audit is available. Commissioner Green seconded. Commissioner Gurr proposed a friendly amendment to the motion that the course will not be offered again until such time as the audit results are approved by the Commission. Unanimous decision. Motion passed.

Ms. Anderson read the Division's recommendation for approval for course item 5 stating the sponsor made the modifications that were requested to include the AB 114 and the new disclosure form.

Commissioner Jameson moved to approve course item 5. Commissioner Gurr seconded. Motion passed unanimously.

Ms. Anderson read the Division's recommendation to approve course item 6 for 3 hours of general. Discussion ensued regarding the course.

Commissioner Green moved to approve course item 6. Commissioner Jameson seconded. Motion passed unanimously.

(2) **COMMISSION/DIVISION BUSINESS**

2-1 **Presentation by Administrator regarding the regulatory changes made by LCB File No. R126-04.**

Ms. Anderson stated that LCB File No. R126-04 went into effect October 31, 2005. Section 1 incorporates limited liability to the type of license that can be obtained in NAC as a corporate license. Section 2 and 3 made changes to the Qualified Intermediary law in NAC 645. The change was intended to clarify who is required to be a registered Qualified Intermediary in Nevada and this section increased the minimum bond requirement from \$25,000 to \$50,000.

Commissioner Mack stated that referring to the Intermediary in section 3 was discussed to be changed to \$1,000,000. Ms. Anderson stated that the public input for a surety bond and the Division did the research on what the bonds would cost and the Industry said that they would be prohibitly high for individual qualified intermediaries.

2-2 **Discussion to review chapter 645 of NAC and make recommendations for proposed changes, additions and deletions. Any changes recommended in this meeting will ultimately be posted for additional public comment through workshops and an adoption hearing, pursuant to the provisions set forth in NRS 233B for the adoption administrative regulations.**

Ms. Anderson stated that a draft of the proposed regulation that was submitted to LCB has been provided to the Commission for their review. Anything the Commission wishes to consider or delete can be addressed at the workshop.

Commissioner Gurr made reference to item number 6 on page 4 of the regulation draft regarding the background check fee amount is not mentioned and would like to know on what basis is the cost going to be determined. Commissioner Gurr asked if that would need to be added?

Matt DiOrio stated that there is a reference that links to the cost of the background check so that a figure is not put into a statute that is going to have to be changed every time an amount changes, but it's linked to the FBI. The actually cost right now is \$45 for background check.

Commissioner Jameson stated that he does not see a description of what a business brokerage is. Commissioner Mack replied that the business brokerage regulation Commissioner Jameson is referring to is a statute, and that regulation modifies the statute.

Matt DiOrio stated that there is a definition for a business in NRS 645. The idea of further defining it was briefly discussed but it is already defined in the Nevada Statute and that these kinds of items will be brought up at the workshop.

Commissioner Jameson stated that he does not see anything in the draft regarding if a person has a real estate license they wouldn't have to go back and do the investigative process. The draft states that if a person wants the permit, they will have to go back whether they're a licensee or not. Ms. Anderson replied that the Division did not start doing 100% background investigations until September 1, 2004 and might amend unless a real estate license was granted since September 1, 2004, that a background investigation may be necessary.

Commissioner Jameson asked if that is the same requirement for a property management permit. Pam Riebe stated that the requirement is not the same for a property management.

Mr. DiOrio stated that what triggered the inclusion is the reference in the Bill to there being background investigations. The Bill actually suggests that the Commission will adopt regulations on background investigations.

Commissioner Gurr stated that background checks should be consistently applied across the board. If it's going to be required for one permit, it should be required for all permits, certificates or licenses and it needs to be for everybody and not just for those people who were licensed before Sept. 2004.

Matt DiOrio stated that the Bill does allow for phase in periods and those who were licensed before October 1, 2005 may continue to do business without the permit until Jan. 2007. Mr. DiOrio stated that they can go in and begin their application process and still be able to continue their practice, and by the time it phases in completely, the Division will be dealing with new licensees.

Commissioner Mack made a recommendations regarding the language on page 1 item 2 and item a-3 referencing the word important; requests the word "deal" be replaced with "transaction" on page 2, c-1; requests deletion of "and the lessor or lessee" on page 8 throughout first paragraph; and on page 11, second from bottom NAC 645.855 pertains to the offense fine of brokers not showing up at a Commission hearing. Commissioner Mack asked if it was already discussed to be increased from \$500 to \$1,000. Joanne Gierer reported that the amount discussed was \$2,000.

President Rossum took a poll and all the Commissioners agreed on the \$2,000 fine.

2-3 Discussion and possible action regarding proposed legislative changes for 2007 session.

Ms. Anderson mentioned that this is a standing agenda for all the meetings, but one thing that has been identified is the need to address the confidentiality limitation. The Division cannot share any investigative materials with other law enforcement agencies and it prohibits the Division from cooperating in investigations with mortgage lending division, fraud unit, metro, etc. Ms. Anderson stated that the Division would like to bring forward a proposed change to allow some sharing of information as a result of the Division investigations with other law enforcement entities.

2-4 Commissioner Comments

Commissioner Jameson commented on his displeasure of the quality of instructors and would like some kind of structure put together with regards to the qualifications of the instructors.

2-5 ACTION ON DATE, TIME, PLACE AND AGENDA ITEMS FOR UPCOMING MEETING.

President Rossum stated that in talking about distance education, she would like to place on the agenda for 2/6/06 the cost of Arello proof class, the time involved in doing it, the requirement for recertification after three years when the class is the same and getting certification for a class that has already been certified by Arello just because you're going to teach it.

Ms. Anderson stated that the Division legal staff has revised the hearing calendars and Alicia Stevenson will email the new calendar to the Commissioners. There is a workshop that the Real Estate will be conducting February 1st in Carson City at 9:30 am. Ms. Anderson asked the Commissioner's to inform Alicia Stevenson whether or not they will be attending. Ms. Anderson stated that the workshop on February 6th will be noticed.

Commissioner Gurr stated she will attend the workshop in Las Vegas. Commissioner Jameson stated that he will try to make it to the North workshop.

(6) PUBLIC COMMENT

Mr. Arens presented a letter of public comment regarding position statement by Commissioners on Consent to Act. President Rossum read the letter aloud for the Commissioners in the North.

Commissioner Gurr stated that as a matter of policy the Commission has determined in the past that the Commission will not respond to comments made by members of the public. President Rossum requests that the comment regarding Consent to Act be placed on the agenda for the February 6th meeting.

(7) ADJOURNMENT

President Rossum adjourned the meeting at 1:35 pm.

Respectfully submitted,

Alicia Stevenson
Commission Coordinator