

MARYLAND REAL ESTATE COMMISSION
500 North Calvert Street
Baltimore, MD 21202

Mission: Protecting the health, safety, and welfare of the public
through examination, licensing, and regulatory activities regarding real estate

BUSINESS MEETING MINUTES
April 18, 10:30 a.m.

Highlights from the meeting:

- Guaranty fund balance for February 2018 is \$1,062,984.22
- Guaranty fund balance for January 2018 is \$1,048,050.31
- Commissioners recently attended ARELLO Mid-Year meeting

PRESENT:

Commissioner J. Nicholas D'Ambrosia, Chair (Industry)
Commissioner Jeff Wright (Industry)
Commissioner Owen Taylor (Consumer)
Commissioner Marla Johnson (Industry)
Commissioner Demetria Scott (Industry)
Commissioner Kambon Williams (Consumer)
Commissioner James Reeder (Consumer)
Commissioner Anne Cooke (Industry)
Matthew Lawrence, AAG
Charlene Faison, Education Director, Session Recorder
Michael Kasnic, Executive Director
John Papavasiliou, DLLR Deputy Commissioner

ABSENT:

Commissioner Karen Baker (Consumer)

PUBLIC IN ATTENDANCE:

Susan Mitchell, MD Realtors
Bob Johnston, AACAR
Mark Feinroth, MD Realtors

CALL TO ORDER:

J. Nicholas D'Ambrosia, Chair, called the meeting to order at 10:42 AM

PLEDGE OF ALLEGIANCE

REPORT OF COMPLAINTS/ADMINISTRATIVE DISMISSALS:

Motion (made by Jeff Wright, seconded by Marla Johnson) **To approve the Administrative Dismissals for the month of April 2018. Motion carried.**

Commissioner Taylor pulled a case from the list. He also wanted to note the number of earnest money deposit complaints that come before the Commission.

COMMITTEE REPORTS:

1. Education – Jeff Wright

- For the month of February 2018 PSI administered 1006 salesperson and 68 broker exams, compared to 953 salesperson and 54 broker exams in February 2017.
- For the month of March 2018 PSI administered 1105 salesperson and 14 broker exams, compared to 1079 salesperson and 45 broker exams in March 2017.
- The Maryland Higher Education Commission notified MREC of a Cease and Desist letter they issued to the resident agent of an entity appearing to represent themselves as a real estate school.
- Commissioner Wright expressed his thoughts on the ARELLO meeting held in New Orleans. Says it was a good meeting and he was very receptive to hearing the commissioner from California speak; sees some the things mentioned coming to Maryland.
- Chair D’Ambrosia announces the departure of Tadas Dabsys and Wayne Thornbill from PSI. The exam company is reorganizing, he says, and plan to go public next year. Mr. Thornbill was the area’s designated representative.
- Vice-Chair Cooke commented virtual offices will be the wave of the future, she believes.

2. Legislative – Marla Johnson, Legislative Chair

- No comment from Commissioner Johnson
- Mr. Lawrence announces two bills directly affecting MREC that passed - HB1656 and HB1482; HB1597 was re-written. This is bill is of interest to all boards within O&P.
- Susan Mitchell, from MD Realtor, was introduced by Mark Feinroth, who announced he will no longer be a lobbyist with MR; he will continue to write for the magazine. He is now in the legal department and can no longer speak on behalf of MR due to ethics requirements.
- Ms. Mitchell follows up Mr. Lawrence’s comments on bills with adding the escrow bill did not pass.
- Chair D’Ambrosia mentions Secretary Schulz was present prior to the start of the meeting to greet staff and commissioners.
- Commissioner Taylor, questioning HB1597; says MREC code gives authority to deny a license and wants to know does the bill affect our law in any way to which Mr. Lawrence advises it is in an information gathering state.
- Commissioner Taylor also raises question regarding the earnest money deposit bill to which Ms. Mitchell from MR states she believes title company members were not in favor of the bill.

COMMENTS FROM EXECUTIVE DIRECTOR: Michael Kasnic

1. Current license count totals 44,212, of which 4,339 are brokers, 3,103 are associate brokers and 36,301 are salespersons. Inactive, reciprocal and branch office totals were not reported.
2. PSI Request for Proposal is in early stages.
3. Interviews were held for an investigator; looking to fill two positions.
4. Has list of candidates to review to set up interviews for another position in licensing.
5. Mr. Kasnic attended the ARELLO meeting and is happy to now have faces to go with the names; looks forward to building relationships with industry leaders.

COMMENTS FROM COUNSEL: Matthew Lawrence, AAG

- No comment.

COMMENTS FROM CHAIR: J. Nicholas D'Ambrosia

- Chair asks Commissioners to recap their experience at ARELLO meeting.
 - Commissioner Scott was excited about attending and was very interested in the brick and mortar discussion. She also found it interesting the thought of single licensing – licensing where there's no real distinction between broker and salesperson licenses.
 - Commission Wright spoke at the law and legislative committee meeting about property management. He finds there not to be any uniformity across states. Also found Bitcoin discussion interesting. Wondered if IRS recognizes it as currency and how exactly does it work. He likes that Commissioner College may be available online soon.
 - Vice-Chair Cooke agrees with Commissioner Scott's comments. Believes there are topics Maryland should be paying attention to for the future.
- Chair was a panel at George Mason University about money laundering. Primary discussion was real estate agents should know where sellers' and buyers' money is coming from.
- Commission Scott was asked for on an update from the advertising committee. Request from industry seems to be wanting a checklist of do's and don't's and guidance on what can and cannot be done by type of advertising. Second meeting, this Friday, may discuss best practices.
- Commissioner Wright and Michael Kasnic are on a licensing consortium that will last over two years.
- Chair announced Zillow went into home selling business, doing i-buyers.

UNFINISHED BUSINESS:

Chair reminded commissioners that in February, he reminded all of the elections taking place in June. Wanted to know if anyone had given any thought to ways to elect new Chair and Vice-Chair.

Commissioner Wright is against random selection; believes it takes an experienced person.

Commissioner Taylor believes who and what the chair is should be considered. He offered a list of items he would like to be considered, among them all members should serve as chair. Legal counsel checked the statute and advises that the chair's term is one year and can be re-elected. Deputy Commission Papavasiliou reminds everyone commissioners serve staggered, 4-year terms and one member, under Commissioner Taylor's suggestion, may not still be a member when their time comes.

Chair D'Ambrosia suggests, if voting by nomination, it be done with secret ballot.

Motion (made by Demetria Scott, seconded by Marla Johnson) **To take nominations from the floor, for nominating individuals to serve as chair and vice-chair, at the June 20th meeting . All in favor:** Commissioners Scott, D'Ambrosia, Cooke, Johnson, Wright, Reeder, Williams; **Abstain:** None; **Opposed:** Commissioner Taylor; **Motion Caries.**

NEW BUSINESS:

Commissioner Taylor brings up personal matter regarding assisting a family member in the process of purchasing a home. Explains company family member is using does not hold escrow; proceeds to reads portion of the contract. Commission Taylor would like the Commission to take another look at earnest money deposits. Subject will on next month’s agenda as unfinished business.

APPROVAL OF MINUTES:

Motion (made by Anne Cooke, seconded by Jeff Wright) **To approve the minutes of the February 21, 2018 business meeting .**

Commissioner Taylor raises objection. He would like the minutes to be reviewed and edited. He also makes an amendment to not approve the minutes and to work with Michael Kasnic on correcting the February minutes; no second.

Motion (made by Owen Taylor, second by James Reeder) **To add to the February minutes the Supplemental and Additional Minutes, prepared and read by Commission Taylor at the meeting. Motion carries.**

ADJOURNMENT:

There being no further business, the meeting adjourned at 12:31 P.M. The next monthly business meeting is Wednesday, May 23, 2018.

APPROVED AS PRESENTED _____
J. Nicholas D’Ambrosia, Chairperson

APPROVED AS AMENDED _____
J. Nicholas D’Ambrosia, Chairperson