



# TENNESSEE REAL ESTATE News-Journal

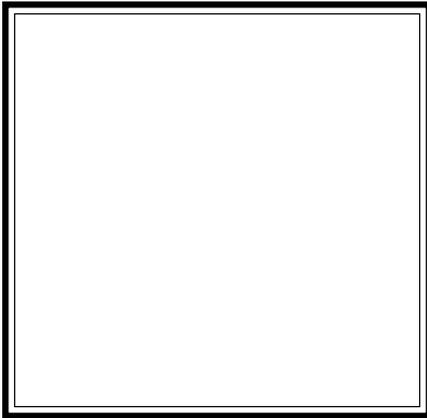
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## Ted Koehner Joins TREC as New Commissioner



Ted Koehner has been appointed by Governor Sundquist to serve on the Tennessee Real Estate Commission until June 30, 2004. Commissioner Koehner lives in Bristol, Tennessee and fills the East Tennessee position recently vacated by John G. Love, Sr. after 10 years of service.

Commissioner Koehner has always been active in his community and is currently a member of the local planning commission, the Sullivan County Strategic Planning Committee, and the Board of Zoning Appeals. He is also a director of the local Kiwanis Club. Commissioner Koehner is a member of the Bristol Association of REALTORS®, the Northeast Tennessee Association of REALTORS®, the Virginia Association of REALTORS®,

and the Tennessee Association of REALTORS® where he is a trustee for RPAC.

When not working, Commissioner Koehner enjoys collecting vintage Corvettes manufactured from 1954 through 1967. He would also like to be able to play more golf.

Commissioner Koehner and his wife Anne, who is also a practicing real estate broker, together have more than 30 years of experience in the real estate profession. The Koehners have two grown children, a son who lives in Nashville and a daughter who lives in Knoxville.

Commissioner Koehner attended his first TREC meeting in Nashville in August and indicated he was very pleased to be able to be a part of the Commission in its efforts to protect the citizens of Tennessee.

## The Golden Rule for Real Estate

By Commissioner Grace Kroeger

What does the TREC do? The Real Estate Commission's work is to serve licensees and protect Tennessee consumers. Our meetings are open to the public and anyone can attend. Come and observe, it's a real learning experience!

The rules and policies have been set as standards for professional conduct. Licensees

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have helped create these standards over many years. This is an on-going process to which you can contribute to make our business more professional. There are many rules and regulations in real estate. New licensees have a learning curve and need our help and guidance.

We must change as the industry changes! Technology is having a big impact and we must adjust and change with it.

The Real Estate Commission hears the good and bad of our industry. As we add new licensees to our business, the more experienced licensees should always be willing to help with answers to their questions. Some licensees still are confused about such things as, agency responsibility for square footage measurements, etc. It takes very little time to answer questions to help avoid violation of our real estate laws, rules, and regulations.

If we hear about something with which we are not familiar, we should not be afraid to ask. The Commission staff is

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## The Golden Rule for Real

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 knowledgeable and is willing to help and answer any questions. It is much easier to answer questions to keep licensees from becoming offenders than it is to file a complaint. Everyone should take the responsibility to help those who may not be aware of the rules and regulations.

The Golden Rule applies in our industry and will help to raise the professionalism of individual licensees. Most offenses are not deliberate, but are the result of a lack of knowledge, education, or carelessness. If you have a question, ask your Broker. Managing Brokers are responsible, under the law, for what you do in real estate. Take pride in our profession and encourage the best performance of every licensee. Most licensees are not in the business just to make money, but to provide the best level of service to Tennessee consumers.

As the pace of change increases in our industry, it will become more and more important to keep up to date with changes in our regulations. What we did five years ago, or even a year ago, may no longer be relevant. It will be incumbent upon all of us to keep informed and assume the responsibility for educating others of changes and/or new requirements.

We face an exciting and challenging future. Consumers are becoming better educated, more sophisticated in the use of technology and are expecting new levels of service. Many states are changing their laws to respond to these needs.

Let's all follow the Golden Rule, be proud of our profession, and encourage the best performance from every licensee!

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## Avoiding Misrepresentations & Negligent Representations

By Reid Brogden, General  
 Counsel for TREC

The Commission recently received a complaint filed by a buyer alleging a licensee misrepresented the square footage of a home. The fact sheet given to the buyer stated that the house was 1600 square feet. After getting an appraisal the buyer learned that the actual square footage of the home was 1400 square feet.

In this instance, the tax records listed the square footage of the home at 1400 square feet. The seller assured the licensee that a garage addition of 200 square feet was not part of the tax records. The licensee blindly repeated the information the seller erroneously provided.

For most of us, a buyer walks through a house, decides they like the house, and the buyer signs a contract. We presume that the buyer saw the size of each room and was satisfied. For buyers, finding out after the execution of the contract that a house is actually smaller than represented can be a serious matter of concern. Licensees

should take extra care to verify square footage. Further, to protect themselves, licensees should consider giving a range of square footage rather than a specific square footage amount on information provided to purchasers. Finally, on information provided to potential purchasers, a disclaimer should appear indicating to purchasers that square footage is estimated. That disclaimer could be as simple as putting the word "estimated" or "approximately" on the fact sheet. A more in depth disclaimer might indicate that the appraisal should show the most accurate estimation of square footage.

These types of errors or omissions create potential liability for the licensee. If a buyer relies on information a licensee provides, the buyer may look to the licensee for damages. This scenario can be distinguished from a licensee merely providing the buyer with a copy of the seller's disclosure form. On the fact sheet, the licensee is responsible for the accuracy of the information.

Most importantly, a licensee must remember that the transaction they are working on may be the most important transaction with which this buyer has ever been involved. Everyone benefits if the licensee pays attention to details and strives for accuracy on every transaction. By utilizing caution, a licensee can help avoid making misrepresentations or negligent representations.

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TREC Web Page Address

**[www.state.tn.us/commerce/trec](http://www.state.tn.us/commerce/trec)**

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# DISCIPLINARY ACTION

**JULY 1999**

**Gil Martinez**

License No. BR17061  
Nashville, Tennessee

**Consent Order:**

Respondent accepted funds directly from complainants, not through his principal broker. In addition, it is alleged he did not provide services he had promised to the complainants.

**Penalty:** Respondent was assessed a civil penalty of \$2,500.00.

**Donna F. Parrott**

License No. AF244344  
Crossville, Tennessee

**Consent Order:**

A closed contract indicated six and one half acres were conveyed when there were actually only three and one half acres in the plot. The respondent failed to timely communicate the fact to the complainants and actually recorded a deed of correction herself without notifying the complainants or providing a copy of said deed.

**Penalty:** Respondent paid a civil penalty of \$1,000.00.

**Marvin R. Wilson, Jr.**

License No. AF255383  
Cleveland, Tennessee

**Contested Case**

**Hearing:** Respondent pled guilty to the indictment of Receiving Child Pornography through the U.S. Mail, received a sentence of 12 months imprisonment and three years of supervised release.

**Penalty:** Respondent's real estate license was revoked.

**Licensees Working on Expired Licenses**

**Letters of Warning:**

Sixteen affiliate brokers and their respective brokers will be issued letters of warning for working on expired licenses from January 1, 1999 until these licenses were reinstated.

**AUGUST 1999**

**Paulette Byrd**

License No. AF242876

**Lynn Byrd**

License No. AF250985

**Chad Eads, A.K.A. The Byrd Home Team**

Kingsport, Tennessee

**Consent Order:**

Respondents contacted property owners whose properties were subject to exclusive listing agreements held by their former firm. The respondents had left that firm on or about October 1998.

**Penalty:** Respondents jointly paid a civil penalty of \$1,000.00.

**Patrick N. Doyle**

License No. TS10921

**Consent Order:**

Respondent did not answer a complaint filed in February 1998 until June 1999.

**Penalty:** Respondent paid a civil penalty of \$1,000.00.

**Leo Ely**

License No. PB17708

**Earl Ogle**

License No. AF244538  
Gatlinburg, Tennessee

**Consent Order:**

Respondent Ogle signed the complainant's name to documents without the complainant's authorization; Respondent Ogle was using the firm name Ogle Realtors when not all agents were REALTORS®; and an audit revealed Respondent Ely was not exercising full time supervision of Ogle Realtors.

**Penalty:** Respondents agree to jointly pay a civil penalty of \$4,000.00.

**Tennessee Real Estate Commission Auditors**

West Tennessee:  
Donnie Bates

Middle Tennessee:  
Jane Lovell

East Tennessee:  
Bill Stewart

**ALERT!!!!**

The most common complaints against licensees concern escrow matters and misrepresentation. Look for an article on complaints in the next News-Journal.

**Tennessee Real Estate  
Commission**

500 James Robertson Parkway, Suite 180  
Nashville, TN 37243-1151

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Tennessee Real Estate  
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Tennessee Real Estate Commission

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Memphis

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Nashville

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Executive Director

**Editor: KATHY M. RIGGS, PH.D.**,  
Education Director

**1999 TREC Meeting  
Schedule**

**Nov. 4-5            Sevierville**  
**Dec. 1-2            Nashville**

**All Meetings are Open  
to all licensees and the  
public.**

**"The Tennessee Department of Commerce  
and Insurance is committed to principles of  
equal opportunity, equal access, and  
affirmative action." Contact the EEO  
Coordinator or ADA Coordinator  
(615) 741-0480, for TDD 615-741-7190**

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Education and Recovery Fund.

**TREC Phone Numbers:  
(615) 741-2273 or 1-800-342-4031**

Personnel and Area of Responsibility with  
direct phone numbers.

**Conell House** - (615) 741-7548 Affiliate  
broker applications and licenses

**Mary Bauman** - (615) 741-3664 Broker  
applications, license issuance, Rental  
Location Licenses and E&O Insurance

**Paula Glover**- (615) 741-7549 Continuing  
Education Processing

**Chip Medlen** - (615) 741-0627 Firm  
applications, Name changes, Firm &  
Residential Address changes, Transfers, and  
Broker Releases

**Karen Jarrett** - (615) 741-7550 License  
Certifications

**Sue Kerley**- (615) 741-7553 Complaint  
Processing

**Gil Dyer** - (615) 741-3615 Time Share  
Salesperson and Vacation Lodging Services

**Danny Webb**- (615) 253-1232 Retirement  
& Inactive Changes, Reactivation of Licenses

**Donna Wright** - (615) 741-4043  
Reinstatements, Timeshare Project  
Registration & Renewal

**Semika Nelson** - (615) 253-1190 Non-  
Resident applications and licenses

**Errors & Omissions Insurance  
Contractor:** Frontier Insurance Co.  
1-888-248-2444 OR (615) 248-2444