



GUAM REAL ESTATE COMMISSION

• CHRISTOPHER MURPHY (Chairman) • ALICE SEBASTIAN-CRUZ • ODESSA MARTINEZ • RICHARD GUTIERREZ

MINUTES OF MEETING

Date: Tuesday, April 25, 2019

Time: 2:00 pm

Place: Director's Conference Room
Department of Revenue and Taxation
1240 Army Drive
Barrigada, Guam 96913

Present: Michele Santos, Deputy Director of Department of Revenue & Taxation
Christopher Murphy, Chair
Alice Sebastian-Cruz, Commission Secretary
Odessa Martinez, Commission Member
Richard Gutierrez, Commission Member

Other: Francine Salas, Office of Senator Sabina Perez
John Duenas, Regulatory Examiner

Call to order: The Chair called the meeting to order at 2:05 pm

- First on the agenda was the approval of minutes from July 17, 2018. Members took a moment to review minutes from previous meeting. No discussion or questions arose after minutes were read and Richard Gutierrez moved to approve the previous meeting's minutes. Odessa Martinez seconds move to approve. Motion passes.
- Next item on the agenda was case no. 2015-08-001 of Mr. Yu vs. Carl Scott Campbell, Hsiang Lan Brown and Thomas Fan Zhang relating to a commission paid. The decision of the Real Estate Commission after reviewing the case, is that the Realtors should return their commission, pay the commission a fine of \$500, and provide (3) hours of continuing education in Ethics. Previously, all parties involved in this case had met with the Attorney General and agreed to the penalty and have signed off accordingly. Present at the commission meeting were Carl Scott Campbell and Hsiang Lan Brown whom paid back the commission earned, made \$500 payment to the Treasurer of Guam as penalty, and submitted their certificates for completion of 3 credit hours of Ethics continuing education. Thomas Fan Zhang was not present at the meeting and payment as of this date is yet to be made.



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- Next item on the agenda was the discussion to adopt other jurisdiction's cemeterial statutes. The Real Estate Commission has offered to help Alice (ISBRE) come up with items that could be turned into law in regards to real estate licensing for cemeterial brokers. Some initial information was provided by California law, which is good starting ground for further discussion. It was determined that commission members would review the information provided and submit some input after a week. It was discussed to also provide the same information to the people currently in the cemeterial business so that they can provide what they do and how that can be applied to the law. It'd be best to have the industry give their input in the beginning, as opposed to us (RE Commission) just drafting laws and giving it to a Senator and then having to change it later. After we put together some of our ideas we can put it into a format to submit to the 4 or 5 Cemeterial companies for their input. Then we can go back and finalize it.
- Next item on the agenda was a proposal to submit all Real Estate claims and complaints to the Real Estate Commission for review and disposition. Complaints should first be submitted to ISBRE and then reviewed by ISBRE before a complaint is moved to the Commission. The Commission will then review the case/complaint and then forward the case/complaint, with its recommendations, to the Director for final decision. Formal complaint forms from ISBRE should be placed online for consumers and RE salesmen to see and be aware of.
- There is an interested party who would like to be an instructor for Real Estate licensing. They have been directed to write a formal letter to the Director stating their intention, their prospectus, fees, courses, number of hours for pre-licensing and other pertinent information. The Commission will look over this material and make a recommendation to the Director. The Director will make a decision whether or not to license them based off their determination and the recommendation of the Commission. This company should be a "local" company and should not be a stateside company, especially since one of the requirements to be a local sales agent is that you are a resident of Guam. It was discussed that the education committee of GAR (Guam Association of Realtors) has been considering starting a school but they had been informed that they should consider doing it under another entity then GAR. If they did it under GAR it could be a conflict of interest.
- It has come to the attention of members of the Commission, that GAR has a law backing their approval of continuing education and that GAR believes they are, in fact, a body for approving continuing education courses. After back and forth discussions with GAR members and Commission members it has been determined that GAR could approve any courses but that those courses not approved by the Commission could be excluded at the time of licensing or renewal. It has been determined GAR and the Commission need to work together to get courses approved by the Director in order for GAR's continuing education credits to be accepted.



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- Right now the law addresses that there are continuing education requirements that must be completed prior to renewal of a license and one of the goals of the commission is to kind of update the law to make it better for everyone. The commission proposes changing the current law in regards to how many years before renewal. The current law has a 2 year term for original licenses and a 4 year term for renewals. What the commission proposes is that all licenses for both brokers and salespeople have a 2 year term. That means continuing education comes every 2 years instead of every 4 year. And prior to getting licensed there are 4 courses that must be taken including ethics, fair housing, disclosures and agency rules on top of the 30 hours pre licensing and every 2 years you must attain 24 hours of continuing education. Hours are based on the National Association of Realtors courses, which is the standard. In essence we are shortening the licensing period so that people could get training in a shorter amount of time. It is an understanding that 4 years is too long to be getting training. This licensing model is mirrored off of how Hawaii does their Real Estate licensing. The chair has met with GAR and they have given their input and we will follow up later to see if GAR is still in agreement before we give our proposed changes to a Senator.
- In the last administration we have developed a Seller's disclosure law and form. Guam used to have a seller's disclosure law but does not currently have one. We have submitted proposal this to Senator Moylan's office and he's currently working on it. We are going to submit this proposal to Senator Sabina Perez's office and they will wait for GAR to approve the language and for the Rev & Tax director to sign off before introducing it in session.
- The Appraisal Board was asking to start an Appraisal board here on Guam but we are just too small venue to have an Appraisal Board. There is also recommendations that the Real Estate Commission combine with the Appraisal Board. Previous presidents of the Professional Association for Real Estate Appraisers for Guam agree on combining but under the understanding that one member be in appraisal. The current Real Estate commission consists of 4 brokers, 1 at large, 1 attorney, and 1 member from Rev & Tax. The law would have to be rewritten to accommodate the necessity of having an appraiser on the Commission. What we recommend is to reduce the number of brokers from 4 to 3, keep 1 at large, 1 appraiser, 1 attorney and 1 member from Rev & Tax to keep the number of members consistent.
- Another concern for the Commission the number of times to meet during the year. Currently the Real Estate Commission meets quarterly, or 4 times a year. It would make more sense to meet monthly so that the Commission can move faster to address issues and how complaints hare handled. Also funding would be needed to provide monthly newsletter to keep industry aware of laws that have been updated or changed and punishments and cases the Commission has dealt with to ensure the public sees that the Commission is active and that violators are dealt with. The AG's office must ensure that privacy concerns are not violated. Input from Senator Sabina Perez's office states that an electric distribution of the newsletter is considered acceptable to Guam's Open Government law.



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- Move to adjourn was made by Richard Gutierrez and second by Alice at 2:50 pm.

Prepared by:

A blue ink signature of John Duenas, consisting of a stylized 'J' and 'D'.

John Duenas
Regulatory Examiner

Approved by:

A blue ink signature of Alice Sebastian-Cruz, written in a cursive style.

Alice Sebastian-Cruz
Regulatory Examiner Supervisor