

**Arizona Department of Real Estate (ADRE)  
Education Advisory Committee (EAC)  
Meeting Minutes**

Wednesday  
March 10, 2021  
10:00 a.m. – 12:00 p.m.  
Arizona Department of Real Estate  
Google Meet  
100 North 15<sup>th</sup> Avenue, Suite 201  
Phoenix, Arizona 85007

- I. Call to Order -  
Commissioner Lowe called the meeting to order at 10:00 a.m.
- II. Introductions & Welcome  
**Members present- all telephonically:**  
Theresa Barnabei  
Marti Barnewolt  
Barb Freestone  
Jenny Hogan-Lizarraga  
Greg Muir  
Mary Sand  
Debbie Shields  
Cheryl Terpening  
Betty Winn
- Absent:**  
Kim Horn  
Patrick Sheahan
- ADRE Representatives present:**  
Judy Lowe, Commissioner  
Louis Dettorre, Deputy Commissioner (DC)  
Abby Hansen, Chief of Staff  
Liz Hill, Assistant Commissioner Licensing Services/ CIO AMS (AC)  
James Williams, Education Services  
Janice Thompson, Education Services

Commissioner Lowe introduced ADRE's new Assistant Commissioner, Licensing Services; Liz Hill

III. Approval of December 9, 2020 Meeting Minutes

Commissioner Lowe asked for a Motion to approve the December 9, 2020 Meeting Minutes. Upon a motion by Member Shields, seconded by Member Terpening, the Minutes of the December 9, 2020 meeting were unanimously approved.

IV. Call to the Public

None

V. ADRE Reports

Commissioner Lowe provided some of the noteworthy items at the Department.

- "It's a crazy housing market" creating concerns among sellers that they are not seeing all offers, and likewise from buyers not sure their offers are being presented. Commissioner Lower reminds all at her outreach opportunities that all offers must be presented expeditiously, the listing agent is responsible for obtaining a signed and dated rejected offer and returning it to the buyer's agent, and that rejected offer must be retained by licensee and designated broker of seller and buyer, for one year. If the offer falls through during escrow, that offer must be retained for five years.
- Commissioner Lowe noted that some of the complaints/violations occurring at the Department are that licensees are not obtaining a subdivision public report when required. She noted anyone who owns six or more properties in a condominium complex, residential or vacant lots in a subdivision, must apply for and obtain a public report, or an exemption to the public report. The application form, or exemption form, may be obtained on the ADRE website [www.azre.gov](http://www.azre.gov)tion may be made to the Department.

Member Barnewolt asked if an owner is a subdivider if they have six or more "anywhere". She does not believe from prior research that it is limited by one "subdivision". Commissioner Lowe asked if she would research that detail and advise the Committee.

Member Winn understands the rule to apply to the "promotion" of properties. Member Sand asked if the six lots are defined more by a "Community" or the "Subdivision" within the Community.

Member Barnewolt will advise on her findings.

- The Department is receiving more complaints regarding wholesalers. Commissioner Lowe noted that Scott Drucker of the Arizona Association of REALTORS® (AAR) wrote a great article, and a copy may be found in the ADRE latest Bulletin, as well as on the AAR website.
- There continues to be much misunderstanding on professional corporations or professional limited liability corporations (PC/PLLC). The only purpose is to allow a brokerage to pay the PC/PLLC members. Licensed individuals may not be paid any compensation from another licensee or a PC/PLLC.
- The Department is trying to encourage the Designated Brokers to have a better understanding of wholesaling and warehousing activity that is going on within their brokerage.
- Unsolicited calls are becoming consumer protection issues being addressed by the Arizona Attorney General's office and the Federal Trade Commission (FTC).
- Form ED-102
  - Committee members stated that initially they were overwhelmed by the fact that the new form is 23 pages. However, upon use, have found that the requirement for input is minimal.
  - Member Freestone stated combining content might help by providing more consistency regarding engagement.
  - Member Hogan-Lizarraga inquired if under Host Remote will the requirement revert back to requiring an instructor deliver from in classroom; as the instructor is currently not required to be in a conforming classroom, just the student. The COVID19 environment and the current application, section three of the form indicates that it could be anywhere as long as it's "conducive".
  - Member Freeman suggested adding a line, Instructor to classroom, and one Instructor to individuals, until COVID19 restrictions are over.

DC Dettorre provided a brief presentation reviewing current statistics for the Department including; licensing, education, and development services.

Member Freestone asked if the Department could provide the number of expired/terminated licensees that occur within the first two years. DC

Dettorre stated he would drill down to see if that is a statistic, the Department is able to provide.

Member Hogan-Lizarraga asked if there were any legislative changes that could affect pre licensing education. DC Dettorre provided an update on the legislative session.

VI. Volunteer Monitor Program Update

- AC Hill gave a brief overview of Department Volunteer Monitor Program.
- The Department continues to use the opportunities of telework limitations to assign staff courses to monitor.

Member Winn asked what the process was to retire a course. AC Hill stated the school just needs to email the Department. Commissioner Lowe indicated that it is the schools responsibility to manage a school/course or instructor expiration date; the Department will not be issuing notice from ADRE when they occur.

VII. School Audit Declaration

AC Hill stated that all issues with the School Audit Declaration forms be directed through the Message Center. Jim Williams indicated that the schools would be contacted if there were an issue with their forms as received.

VIII. Other Matters

A few members started to mention Lien Theory or Title Theory for pre licensing curriculum content and DC Dettorre noted that as this was not on the agenda would need to be added to the next meeting's agenda.

IX. Next meeting; June 9, 2021, 10am to Noon

X. Meeting adjourned 12:00

*Respectfully submitted this \_\_\_\_\_ day of June, 2021  
Education Advisory Committee*

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*Commissioner Judy Lowe*

*Members of the Education Advisory Committee will attend either in person or by telephone conferencing.*

DRAFT