

October 10 – 13, 2007

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CALIFORNIA ASSOCIATION OF REALTORS® EXECUTIVE COMMITTEE  
Anaheim Marriott Hotel  
Anaheim, California

The meeting was called to order by President Colleen Badagliacco at 10:00 a.m. on October 10, 2007.

## **CALL TO ORDER**

Members Present: President Colleen Badagliacco, President-Elect Bill Brown, Treasurer James Liptak, Kevin Brown, Phyllis Carmichael, Virginia Field, Heath Hilgenberg, Beverly James, Vince Malta, Lisa Muetterties, Leslie Munger, Joel Singer (Ex-Officio), Dave Tanner, Steve White, Kelvin Wong

## **ATTENDANCE**

Excused Absence: Liz Fitzgerald

Also Present: 2007 Regional Chairs, 2007 Committee Liaisons

Parliamentarian: Tim Hegstrom

Staff Present: Lynette Flores, Helen Parrino, Rick Shumacher

Association Executive Dale Gray has resigned.

It was Moved, Seconded and CARRIED to approve the minutes of the June 6 - 9, 2007 meeting in Sacramento, California.

## **APPROVAL OF MINUTES**

President Badagliacco reported on some of the key issues and Task Forces which are expected to come forward at these meetings. She noted that some guest room attrition was occurring at the Sheraton Anaheim Hotel, and that C.A.R. may be charged liquidated damages. EXPO Attendance was expected to be strong.

## **REPORT OF THE PRESIDENT**

President-Elect Bill Brown provided an overview of the items on the Regional Chairs Committee agenda, and spoke about the C.A.R. committee selection process for 2008.

## **REPORT OF THE PRESIDENT-ELECT**

Treasurer James Liptak, Chair of the Strategic Planning and Finance Committee, reported that the Executive Committee had previously taken action on the following recommendations at their September meeting.

## **REPORT OF THE TREASURER**

To approve a 2008-2010 strategic plan and 2008 budget with the following criteria:

Strategic Planning and Finance

A. C.A.R. Revenue \$29,078,600,  
C.A.R. Cost \$27,655,300  
Net Surplus \$1,423,300

B. Political Activities Fund Revenue \$1,604,000

C. Issues Action Fund Revenue \$1,604,000  
Issues Action Fund Transfer to IMPAC \$689,200

D. 116 budgeted C.A.R. staff positions

E. Membership dues, including \$115 for operating programs, \$10 for the Political Activities Fund and \$10 for the Issues Action Fund, are set at a total of \$135 per member (predicated on 2008 year-end membership of 172,200)

F. New member fee be set as \$100 per new member

G. A 2008 Capital Budget (funded with Association reserves) totaling \$146,400

An amendment to the previous motion was Moved by Steve White, Seconded and CARRIED, to change item F. to read, "New member fee continues to be at \$30 per new member (unchanged)."

A vote on the Main Motion, as amended, CARRIED, to approve a 2008-2010 strategic plan and 2008 budget with the following criteria:

A. C.A.R. Revenue \$29,078,600,  
C.A.R. Cost \$27,655,300  
Net Surplus \$1,423,300

B. Political Activities Fund Revenue \$1,604,000

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Issues Action Fund Transfer to IMPAC \$689,200

D. 116 budgeted C.A.R. staff positions

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F. New member fee continues to be at \$30 per new member (unchanged)

G. A 2008 Capital Budget (funded with Association reserves) totaling \$146,400

*Action of Directors: Approved*

To approve for members in areas not serviced by local associations an additional \$30 in membership dues. This amount would be in excess of the dues approved for members coming through the local associations.

*Action of Directors: Approved*

To approve a 2007 budget augmentation to develop and promote a commercial website for REALTOR® members who practice commercial real estate with a total revenue of \$28,800, a total expenses of \$14,200 and a capital budget of \$5,000.

*Action of Directors: Approved*

That \$100,000 be approved to conduct consumer research to determine possible features of a consumer website.

*Action of Directors: Approved*

That \$360,000 be approved for an additional 4 percent pension contribution to the C.A.R. and REBS employee pension plan for 2007, augmenting the previously approved budget of ten percent.

*Action of Directors: Approved*

*See consent agenda, Attachment A, for additional Strategic Planning and Finance action items approved by the Directors.*

Executive Vice President and State Secretary Joel Singer reported on the progress of the Association's subsidiaries.

Joel Singer recognized the outstanding service of John Liberator as the Chief Deputy Commissioner of the Department of Real Estate on the occasion of his retirement.

It was Moved, Seconded and CARRIED, to approve a Special Resolution to express the appreciation of the Directors to John Liberator. *(See Exhibit B)*

*Action of Directors: Approved*

It was Moved, Seconded and CARRIED to approve the Consent Agenda as presented.

*See Consent Agenda Action Items – Attachment A*

Gary Thomas, Chair of the MLS Working Group, presented a report and recommendation.

It was Moved by Vince Malta, Seconded and CARRIED, that a statewide hybrid MLS with a single data base be created. This system could be used as a primary MLS at a local Association's option, or as an aggregated data base by local Associations or Regional MLSs.

**REPORT OF THE  
EXECUTIVE VICE  
PRESIDENT/STATE  
SECRETARY**

**CONSENT AGENDA**

**SPECIAL REPORTS**

MLS Working Group  
Gary Thomas, Chair

Further that a mutual benefit non profit corporation be chartered for the purpose of overseeing the development and ongoing operations of the hybrid system.

Further that the following be formed

- a. An MLS Rules working group of the MLS Committee to recommend statewide rules to be used in either model.
- b. An MLS Statewide Governance working group to recommend a specific governance structure.
- c. An MLS Standards Subcommittee Group to report through the MLS Committee to recommend data standards.
- d. An AE working group to recommend the most efficient and member-oriented approach on which services should be retained at the local level.

These groups will report back to the C.A.R. Board of Directors for review and approval of their recommendations in January.

Finally, that the previously approved \$500,000 also fund minor expenses of the working groups. (Note that none of the \$500,000 approved at the June 2007 meeting has been used).

*Action of Directors: Approved*

Jeff Barnett, Chair of the MLS/Computer and Business Technology Committee, presented an alternative recommendation on behalf of the MLS/CBT Committee.

It was Moved by Leslie Munger, and Seconded, to recommend that the MLS/Computer and Business Technology Committee motion be defeated, that the MLS Working Group be authorized to form the following, in conjunction with the appropriate other committees and/or appointments by leadership, to further explore a statewide hybrid MLS with a single database:

- a. An MLS Rules working group of the MLS Committee to recommend statewide rules to be used in either model for report in January.
- b. An MLS Statewide Governance working group to recommend a specific governance structure for report in January.
- c. An MLS Standards Subcommittee Group to report through the MLS Committee to recommend data standards and report in January.
- d. An AE working group to recommend the most efficient and member-oriented approach on which services should be retained at the local level.

Upon Completion of the above working groups, the MLS Working Group to return to the Board of Directors with a detailed business plan and budget clearly defining the entity, governance, rules, data standards, and role of the Local Associations/MLS.

Finally that the previously approved \$500,000 also fund minor expenses of the working groups. (Note that none of the \$500,000 approved at the June 2007 meeting has been used.)

An amendment to the Motion was Moved by Vince Malta, Seconded and CARRIED, to take NO POSITION on the MLS/Computer Business and Technology Committee motion.

A vote on the Main Motion, as amended, CARRIED, to take NO POSITION on the MLS/Computer Business and Technology Committee motion.

*Action of Directors: MLS Working Group Motion Approved*

Vince Malta, Chair of the Nominating and Elections Process Task Force, presented the report and recommendations from this Task Force.

Nominating and  
Elections Process Task  
Force

It was Moved by Vince Malta, Seconded and CARRIED to approve the Nominating and Elections Process Task Force Final Report.

Vince Malta, Chair

*Action of Directors: Approved*

It was Moved, Seconded and CARRIED, that C.A.R. "SPONSOR" legislation requiring a prominent disclosure by a licensee to all parties whenever a broker, business entity or licensee both represents a buyer and originates a loan in a "1-4" transaction.

Mortgage Broker  
Licensing Task Force  
Heide Wolf-Reid, Chair

*Action of Directors: Approved*

## **COMMITTEE REPORTS**

It was Moved and Seconded that C.A.R. "SPONSOR" legislation to provide that the rights of an owner in a common interest development to own, occupy, lease or sell his or her ownership interest shall not be changed throughout the duration of such ownership, and such rights of a subsequent owner can only be affected by a 2/3 affirmative vote by the members of the association pursuant to a written ballot.

**Common Interest  
Development**  
Steve Delmartini, Chair

A substitute motion from the Legislative Committee was Moved, Seconded and CARRIED, that C.A.R. "SPONSOR" legislation to provide that the rights of an owner in a common interest development to own, occupy, lease or sell his or her ownership interest shall not be changed throughout the duration of such ownership.

*Action of Directors: Approved Legislative Committee Motion*

It was reported for information only that the following slate has been duly noticed for approval in October 2007. Trustees serve for a three-year term. Alternates may be selected to fill the remainder of a vacant term during the year.

**CREPAC Trustees**  
Chris Osteen, Chair

### NOMINEES FOR CREPAC TRUSTEE (November 2007- November 20010)

Dawn O'Rourke, Region 1

Humboldt Association of REALTORS®

Dorothy Jackson, Region 06  
Bay East Association of REALTORS®

Susan Davis, Region 12  
Fresno Association of REALTORS®

Wendy Furth, Region 18  
Southland Regional Association of REALTORS®

Candice Carpenter, Region 21  
South Bay Association of REALTORS®

NOMINEES FOR CREPAC ALTERNATE  
(November 2007 - November 2008)

Terriann McGowan, Region 4  
North Bay Association of REALTORS®

Brian Malone, Region 13  
Glendale Association of REALTORS®

Nancy Donahue-Jones, Region 14  
Association Executive Southwest Riverside County Association of REALTORS®

Mary Funk, Region 18  
Southland Regional Association of REALTORS®

Heide Wolfe-Reid, Region 19  
Santa Clara County Association of REALTORS®

Jimmy La Peter, Region 23  
Pacific West Association of REALTORS®

Susan Marshall, Region 24  
San Diego Association of REALTORS®

Cas Pinkowski, Region 32  
Orange County Association of REALTORS®

*Action of Directors: Approved*

It was further reported for information only that the CREPAC Trustees transferred \$925,000 to National RPAC, for a total "Fair Share" 2007 contribution of \$925,000, and that CREPAC contributed \$531,350 to bi-partisan candidates for the Assembly and Senate, as well as to the Democratic and Republican Parties.

It was reported for information only that the following slate has been duly

**IMPAC Trustees**

noticed for approval in October 2007. Trustees serve for a three-year term. Alternates may be selected to fill the remainder of a vacant term during the year.

Greg Haas, Chair

NOMINEES FOR IMPAC TRUSTEE  
(November 2007- November 2010)

M. Chris Kutzkey, Region 2  
Siskiyou Association of REALTORS®

Eva Garcia, Region 3  
Sacramento Association of REALTORS®

Mary Chatton Brown, Region 5  
Contra Costa Association of REALTORS®

Richard Tegley, Region 14  
Inland Valleys Association of REALTORS®

Alice McCain, Region 18  
Southland Regional Association of REALTORS®

NOMINEES FOR IMPAC ALTERNATE  
(November 2007 - November 2008)

Cynthia Wood, Region 4  
North Bay Association of REALTORS®

Michael Godfrey, Region 6  
Bay East Association of REALTORS®

Leannah Hunt, Region 9  
Silicon Valley Association of REALTORS®

Carol Banner, Region 15  
Rim of the World Association of REALTORS®

Richard Stone, Region 16  
Arcadia Association of REALTORS®

Rebekah Owen, Region 19  
Santa Clara County Association of REALTORS®

Les Fishman, Region 21  
Palos Verdes Association of REALTORS®

Vicky Campbell, Region 24  
San Diego Association of REALTORS®

*Action of Directors: Approved*

It was further reported for information only that the State IMPAC Trustees

approved the following contributions:

- \$15,000 to the Reason Foundation for a media and government outreach campaign on government barriers to housing production
- \$10,000 to the Community Renewal Project to sponsor their annual Community Renewal Summit that provides resources to neighborhood activists who improve their communities through economic development
- \$10,000 to the National Association of REALTORS® for a Homeowners Insurance Research study on availability and affordability of insurance in disaster prone areas
- \$150,000 to the Plan for the People – No on Measure A campaign to defeat a anti-growth initiative in Monterey County
- \$142,723 to the California Association of REALTORS® to fund a paid media and direct mail campaign in support of SB 670 (Correa), a C.A.R. sponsored bill to prohibit Private Transfer Taxes
- \$15,000 to No on Measure A, an anti-growth initiative in the City of Solana Beach
- \$20,000 to the Residents Against Planning Restrictions - Measure V, an anti-growth initiative in the City of Sierra Madre

It was Moved, Seconded and CARRIED that C.A.R. adopt a “NOT REAL ESTATE RELATED” position on Proposition 93, “Limits on Legislators Terms in Office” which will appear on the February 8, 2008 Presidential Primary Ballot.

**Legislative**  
Steve Goddard, Chair

*Action of Directors: Approved*

*See Consent Agenda (Attachment A) for an action item from the Membership Committee.*

**Membership**  
West De Young, Chair

It was reported for information only by Steve Weiss, Chair of the Standard Forms Advisory Committee, that the Standard Forms Advisory Committee received reports from 12 Regional Representatives. The comments were all positive regarding the November 2007 forms release. The Standard Forms Advisory Committee decided to create a joint study group with the WINForms Users Advisory Group to consider electronic forms’ impact on the standard forms process. The Standard Forms Advisory Committee recommends that in early 2008 a study group should be formed to propose revisions to the RPA for release in 2010. In response to comments at the Forum on Forms, the Standard Forms Advisory Committee has directed staff to make modifications to the Request for Repair form draft that was presented at the Forum on Forms and will decide by an email vote on Monday, October 15th whether to release the modified form in November. Finally, the committee reviewed all of the 42 comments received.

**Standard Forms Advisory**  
Steve Weiss, Chair

It was Moved, Seconded and CARRIED that C.A.R. adopt the following positions on February 8, 2008 Ballot Propositions:

**TAXATION**  
Robert Kevane, Chair

- Proposition 91, “Transportation Funding” – “NEUTRAL”
- Proposition 92, “Community Colleges Funding, Governance and Fees” – “NOT REAL ESTATE RELATED.”

*Action of Directors: Approved*

It was reported for information only that C.A.R. staff will explore the option of expanding the use of the Mello-Roos Law to allow funding for environmental mitigation and/or affordable housing, while otherwise prohibiting PTTs, and report back to the committee in January of 2008.

There being no further business, the meeting was adjourned at 7:50 a.m. on October 13, 2007.

**ADJOURNMENT**

**ATTACHMENT A – CONSENT AGENDA**

1. That the following applicants be granted C.A.R. Honorary Member-for-Life status:

**CONSENT AGENDA**

Arcadia AOR  
Ingeborg Rothschild

**Membership**

Atascadero AOR  
Frank Sanchez  
Richard Summers

Bakersfield AOR  
Tresa Destefani  
Ted Hand  
Virginia Jeffries  
Lloyd Plank  
Stan Redmond  
Robert Wegis

Bay East AOR  
Al Antunes  
Audrey Giovanetti  
Babe King  
Betty McCoy

Beverly Hills/Greater LA AOR  
Hjalmar Erickson  
Mildred Foreman  
Christine Forrest  
Samuel Fox  
Caroline Lembec

Burbank AOR  
Yvonne Falge  
Rosemary Forsyth

CA Desert AOR  
Peggy Wick  
Chopsy Samuelson

Contra Costa AOR  
Shirley Amato  
Doris Bohren  
Patti Compton  
Dick Green  
Moses Guillory  
Bill Kendall  
Wally Krivoy  
Mary Linney

Janie Olofson  
Robert Rose  
Lydia Siapno  
Jeanne Trambley  
Herb Trenbath  
Marv Wiegman  
Dot Yardley

Downey AOR  
Chuck Gugliuzza

East Valley AOR  
Robert Ramos

El Dorado AOR  
Mary Cox  
Corinne Haglund  
Wilma Klein

Delta AOR  
Sylvia Amaral

Greater Antelope Valley BOR  
Bill Proffitt

Marin AOR  
Zel Bauer  
Berwyn Forsythe  
Jeanne Scott

Mariposa AOR  
Delores Ann Hahn

Merced AOR  
Richard Duewell  
Kay Stahl

Monterey County AOR  
Emily Stephenson

North Bay AOR  
Art Bowen  
Jean Delzell  
Sarah Gianelli  
Harold Griffith  
Julian Heckler  
Donald Kelly  
Cecil Rolls  
Willo Rose  
Les Ryan  
Gilbert Saydah

William Schlangen  
Gordon Walker  
Walter Walker  
Lucy Webb  
Marlene Werra  
Barbara Whitson  
Patricia Williams

North San Diego AOR  
Jeanne Bowyer  
Bob Zigich

Orange Belt AOR  
Barbara Cranmore  
Marion Davis

Orange County AOR  
Ruth Clark  
Margie Harbert  
Clare Hoefler  
Tom Martin  
Lenore Shepardson

Pacific West AOR  
Jacqui Graves  
James Harvey  
Augie Lopez

Palos Verdes Peninsula AOR  
Charlene Phelps

Placer AOR  
Paula Ahart  
Joseph Bruno  
John DuPriest  
Elsie Feathers  
Bill Johnson  
Barbara Lee  
Wayne Robinson

Rancho Southeast AOR  
Philip Tjia

San Mateo AOR  
Andrew Breslin  
Richard Renwick  
George Studle

Santa Clara AOR  
John Van Hooser  
Walter Sano

Santa Maria AOR  
Jean Allen-Faust  
Jack Salling  
Anna Strawhun

Shasta AOR  
Loeta Rhodes

Silicon AOR  
Helga Ausman  
Donald Bacci  
Esmail Essabhoy  
Thomas Foy

South Bay AOR  
Alpha Wagoner

South Tahoe AOR  
Bernie McDonald

Southland Regional AOR  
Bess Barber  
Judith Ellsworth  
Stanley Jones  
Rose Keller  
Virginia Moscosco  
Nadine Mosier  
Peggy Skelly  
Irene Tomlinson  
Lillian Weinstock

Trinity AOR  
Audrey Bush Hall  
William Derryberry

Ventura AOR  
John Bazaldua  
Peach Wheelchel

2. That the Statement of Income and Expenses by program for the eight months ending August 31, 2007 be approved.

Total C.A.R.  
Revenue of \$28,555,600  
Expenses of \$ 17,935,600  
An excess of income over expenses of \$10,620,000

Political Activities Fund  
An excess of income over expenses of \$1,728,200

**CONSENT AGENDA**

**Strategic Planning  
and Finance**

Issues Action Fund

An excess of income over expenses of \$1,387,400

The C.A.R. Balance Sheet as of August 31, 2007

Total assets of \$58,593,800 (of which \$41,461,100 are current assets)

Total liabilities of \$5,670,200 (of which \$4,383,700 are current liabilities)

C.A.R. Fund Balance of \$52,923,600

3. That the Projected Statement of Income and Expenses by program for the year ending December 31, 2007 be approved.

**CONSENT AGENDA**

**Strategic Planning  
and Finance**

Total C.A.R.

Revenue of \$32,643,700

Expenses of \$27,813,500

An excess of income over expenses of \$4,830,200

Political Activities Fund

An excess of income over expenses of \$1,243,300

Issues Action Fund

An excess of income over expenses of \$1,129,100. This amount will be allocated to IMPAC as approved by the Directors.

**ATTACHMENT B**

**CALIFORNIA ASSOCIATION OF REALTORS®  
A RESOLUTION OF GRATEFUL APPRECIATION  
TO JOHN LIBERATOR  
October 13, 2007**

**BE IT KNOWN:** The Board of Directors of the CALIFORNIA ASSOCIATION OF REALTORS® does hereby adopt this Resolution as a means of recording for posterity its appreciation for your outstanding service as the Deputy Commissioner of the California Department of Real Estate.

**WHEREAS,** John Liberator has established a lengthy and exceptional record of professional commitment and service to the real estate industry; and

**WHEREAS,** You began your career with the Department of Real Estate in 1970 as a Deputy Real Estate Commissioner in the Los Angeles District Office; and

**WHEREAS,** In January 1985, you were appointed as Chief Deputy Real Estate Commissioner, and you have served with distinction in this post, and as Interim Real Estate Commissioner in 1991, 1994, 1999, and 2004; and

**WHEREAS,** With your dedicated support and guidance, the Department of Real Estate has made important strides to provide excellent service to a broad diversity of licensees and California consumers; and

**WHEREAS,** By virtue of your friendship, loyalty, dedication and commitment to the real estate community and to public service, you leave this State a legacy of leadership and progress that will endure; therefore, be it

**RESOLVED,** That the officers, directors and members of the CALIFORNIA ASSOCIATION OF REALTORS® do hereby convey to you, John Liberator, our gratitude for your outstanding leadership, and wish you the very best on the occasion of your retirement from public service this year.

(Signature)

(Signature)

Colleen Badagliacco, President

Joel S. Singer, Executive Vice President

Adopted this 13th day of October, 2007, by a vote of the Board of Directors during its 520th Session in Anaheim, California.