

AUGUST 2019

 **AREA**
ASSOCIATED REALTY OF THE AMERICAS



COMMENTS BY **GAIL HARTNETT**

AREA Honors

*AREA Statement of
Purpose and Principles*

Important News from RPR

Basquing In Boise:
An Editorial

Legal Commentary
by Dennis Badagliacco

AREA SALUTES: JAY WEST



ASSOCIATED REALTY OF THE AMERICAS

"All the news that fits."

Our members are 110% committed to excellence in our real estate profession. Our mission encompasses: Sharing BEST Practices with our colleagues; treating all referrals with the utmost of care, honesty and integrity; and being involved in organized real estate for the betterment of our profession."

A R E A B O A R D

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Comments from Gail Hartnett

Dear Fellow AREA Members:

HAPPY August AREA Members!

Excited to be working with **Carl, Suzanne, Seth** and all of you this year as the Chair of

our AREA Advisory Board. Kudos and a huge thank you to **Hagan Stone** for a stellar job as the Chair this past year....You set the bar high and we will work hard to continue moving forward, providing value to all of our members.

For those of you who were able to be in Boise for our Retreat ~ WOW ~ thank you for attending and participating in the fun and programs. Without YOU ~ the amazing members of AREA ~ Success is only a word in the dictionary. **Diana Bull** and **Sharon Bowler**, what a job you did on arranging the restaurants on Sunday evening ~ yum and great conversations.

Special thanks to **Evan Fuchs, Cindy Bulla, Leslie Rouda Smith, Jo Kenney, Ron Phipps** and **Ken Libby** for successfully leading our panels and presentations ~ you rocked it! And cheers to our Super Star members who participated on our panels: **Hans Hansson, Ken Libby, Na'Varo Johnson (CSSI), Jef Conn, Dennis Badagliacco, Jeff Young (RPR), Craig Wilburn, Sharon Keating, Michael Schoonover, Audrey Novoa, Don Bullock, Trinkie Watson, Jay West, Kerri Hartnett, Cindy Sweeney, Tammy Newland, Missy Stagers, Moana Andersen, Bonnie Smith, Seth Task, Sherri Meadows, Colin Mullane, Steve Goddard, Fiona Theseira** and **Kathy Fowler** (think I got you all) ~and finally, congratulations to our award winners, all so deserving! **AREA's Member of the Year aka NAR Distinguished Service Award Recipient, Ken Libby** Whoo Hoo! And our **Lifetime Service Award winners, Sherri Meadows, Diana Bull** and **Dennis Badagliacco** and of course recipients of all of the honors bestowed on those who give so much to make AREA, our industry and our communities so special.

It takes all of us to make AREA the organization that it is. Thank you for belonging and make this year the year that you are a ParticiPOTATO! Give a holler if you want to chat.

Gail

Each year AREA honors several members for their personal efforts to make our organization the valuable asset to our personal business growth that it has become.

MEMBER OF THE YEAR



Ken Libby
Stowe, VT



NATIONAL HERITAGE AWARD 2019

LA BAYSIDE PLANTATION Jeanerette, Louisiana

SPECIAL SERVICE AWARDS



Hagan Stone
Nashville, TN



Gail Hartnett
Boise, ID



Evan Fuchs
Bullhead City, AZ



Jeanne Radsick
Bakersfield, CA



Hans Hansson
San Francisco, CA

LIFETIME ACHIEVEMENT AWARDS



Sherri Meadows
Ocala, FL



Diana Bull
Santa Barbara, CA



Dennis Badagliacco
San Jose, CA

SPECIAL RECOGNITION
for Continuing Service to the Betterment of the real estate industry



Fiona Theseira
San Diego, CA



Pat Ohmberger
Lincoln, NE



Chris McElroy
Fort Collins, CO



Sharon Keating
Jefferson City, MO



Patti Fitzgerald
Palm Beach, FL



ASSOCIATED REALTY OF THE AMERICAS

Dear Fellow AREA Members:

I wish to congratulate **Hagan Stone**, the immediate past chair of the AREA Advisory Board for all of his assistance this past year in helping move AREA forward in such a wonderful fashion. Also, I wish to extend my deepest thanks, on behalf of the membership as a whole, to **Gail Hartnett**, who threw her heart and soul into making our Retreat in Boise so very, very memorable. One had to be there to understand why I am so vociferous in my praise of the event because from start to finish it was truly a remarkable.

We are a referral group, created to find the most competent and ethical members of our chosen profession throughout the USA, Mexico and other locations in North America and the world. The bond that holds us together is the National Association of REALTORS®, of which all members must also belong. The primary reason for that deals with the CODE of ETHICS of that Association, which, among other very important considerations, stipulates that the interest of the client always exceeds our own. We are an organization based on trust and the promise of equity for all. Each of us has signed a "Participation Agreement", which has been endorsed by your broker, stating how we work and the schedule of payments we must adhere to as members.

AREA is a privately owned, licensed real estate company domiciled in Arizona. I am the owner/broker and have no staff save for the volunteer work done by Suzanne Cooper in helping with technical and logistical functions that keep us running smoothly. (As compensation, during the year some of Suzanne's expenses, are covered by us including her membership dues.) AREA also has contracts with highly professional outside resources to assist in a variety of functions including the website, newsletters, legal, accounting, travel etc.

Our sources of income come from four arenas:

1. **Member Dues:** These are \$300 for the principal member and \$150 for any secondary member, all annually paid on the anniversary of one's acceptance.
2. **Member fees** for things such as the Retreat and, perhaps, other such opportunities, **which are done at cost.** (AREA is also responsible for arranging for the hotel and all of the venues and guaranteeing payments against the actual costs,

which run over \$40,000 per Retreat plus agreeing to pay for rooms, which do not meet the agreed upon minimum (\$25,000+ is normally the amount of that guarantee.) We only hope to break even, which happens occasionally and now, more so, because of the sponsorships.

3. **Sponsorships:** Currently we have four who currently, annually contribute a total of \$10,000 for promotional interests.
4. **Commissions on all commercial transactions among members (residential and commercial).** All such transactions done, member to member, require a payment of 5% of each recipients' side of the transaction to be paid to AREA.

Over the years we have been fortunate to hold what we have come to be known as the "AREA Gatherings" twice a year: D.C. and the annual NAR Convention. At these events, members are invited as guests of a volunteer host (**Vince Malta** has done this twice already and will also do it in San Francisco during the 2019 NAR Convention, during which he is inaugurated as President.) Many others like **Sherri Meadows**, have done the same hosting and I also thank them. This is a special event and so much appreciated by our attendees.

Over our 13 years, AREA has held Retreats in the following locations:

1. Tucson 2007
2. Denver 2008
3. Denver 2009
4. Seattle 2010
5. Las Vegas 2011
6. San Antonio 2012
7. New Orleans 2013
8. Napa 2014
9. Stowe 2015
10. Santa Fe 2016
11. Santa Barbara 2017
12. Newport 2018
13. Boise 2019

Next year we are schedule to be in the wonderful city of Cleveland, followed by Nashville. If you would like to have this event in your community, please let us know.

2019 ANNUAL REPORT TO MEMBERS

The optimum timing of the event was recently determined to be early to mid-July, as those dates, up until now, seem to have been the most compatible with the competing schedules of other industry events both state and national. Please feel free to express your opinion about these dates.

In 2014 we created the Advisory Board to provide our members with a forum to assist AREA in remaining, not only viable, but also forward thinking. While, at the same time, also, helping to facilitate member engagement. This is not a policy board, but, as the name implies, "Advisory". **Ken Libby, Diana Bull, Leslie Rouda Smith, Hagan Stone** have served all of us well over the past several years. In the end, AREA, as a private company, remains solely responsible for establishing and implementing policy that it believes is in the best interest of the organization.

As we move forward, based upon the comments made at our 2019 Retreat, we realize that we must understand the dynamics of the marketplace and act accordingly.

As **Hans Hansson** and **Trinkie Watson**, along with a bevy of others pointed out during their remarkable commentary, Trinkie, a very proficient residential agent in Tahoe and Hans, a leading commercial broker in San Francisco, through a friendship that has developed over the years, have found that residential and commercial are not only compatible but essential if the bar of success for any of us is to be raised to meet the new realities.

Trinkie knows nothing about commercial but is constantly being approached by her clients with questions about things dealing with

commercial and, thus, she and Hans have formed a mutually beneficial relationship that allows her to refer to Hans with confidence that if a deal results, no matter, when or where, she will be compensated.

It is our strong suggestion that ALL of our residential members, who currently do not have a commercial partner, seek out a competent NAR member commercial broker to be their Hans and then to nominate them to join AREA as a full member.

Henceforth, we will be adding an extra call monthly, exclusively for our commercial members and any residential members, so inclined, to discuss leads and current opportunities that our members will be bringing to the table. In addition, we will also be creating a new section in the AREA newsletter devoted to commercial and residential collaboration.

Ken Libby, Hans Hansson, Don Bullock, Michael Schoonover and Audrey Novoa will head up this adjunct advisory board to discuss and work on these issues.

Michael, Ken and Hans will make up the selection committee. This will be separate from the committee that recruits residential.

AREA, in order to retain the intimacy that we have achieved will close out our membership at 200 and, thereafter, vary between 180-200.

We thank you for being a member of AREA and hope that this overview has been of value to you. Please feel free to respond with your comments and questions.

THEY SAY WE'RE NOT LIKE OTHER REAL ESTATE GROUPS.
WE SAY, THEY'RE RIGHT.



ASSOCIATED REALTY OF THE AMERICAS

A T T H E P I N N A C L E

AREA SALUTES

This is a new and on-going commentary provided by two distinguished AREA members from the East Coast: *Miriam Dunn* of Scarsdale and *Elizabeth Allardice* of Raleigh-Durham, who think that there is a great deal more to our members than simply their wonderful achievements in the world of real estate and as participants in the National Association of REALTORS®. So, each month they will be randomly saluting a particular member of AREA for what they do in addition to managing their real estate careers.

This month we feature *Jay West* of Cabo San Lucas, Baja Sur California.



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Going Global – China in the 80's “Real Estate Skills and Relationships as Keys to Ground-Breaking”

During our 10 years of friendship, Carl Bosse and I have had several conversations about the 4 ½ years I traveled to and worked on the ground in China from 1984 until 1988. He requested that I share part of the experience with you and thanks to Elizabeth and Miriam for providing the forum. My close friend, Peter Townsend, became my business partner when our mutual broadcast backgrounds and interests created a multi-generational bond which has lasted since 1977. Recently a three-part case study in the Portland Business Journal has re-surfaced and piqued Carl's interest when I shared it with him, and he urged me to personalize the work Peter and I shared in China. It is no accident that Peter's son and I have now worked together in Los Cabos for the past 15 years.

Located directly across the Straights of Taiwan, the historic and strategically located Chinese Province of Fujian became the last to open its doors to Foreign investment and cooperation in 1979.

We became part of a successful initiative by Republican Oregon Governor Victor Atiyeh to establish a Sister/Province relationship between Fujian and Oregon. Our company, ORE/PAC Marketing International, was approached to develop several cooperative ventures in China. The first involved the planning, construction and technology transfer of a computer hard disk-drive manufacturing line within the factory of the Fujian Electronic Computer Company in the capitol city of Fuzhou.

I earned my first real estate license in Oregon when I was 23 years old specializing in ranches, timber and land for development. Peter also had experience in commercial real estate from an early age prior to our meeting as radio station owners and managers. We love solving problems and creating entrepreneurial opportunities and projects which become something tangible and meaningful. Borders and cultural differences only make it more interesting. I have also found this true with many of my friends in AREA.

Since neither Peter nor I had any technological experience or specific knowledge of the project, it created a very inviting challenge. Our backgrounds in real estate and radio in Eugene, Oregon and Anaheim, California gave us valuable experience with a very broad cross section of business management and societal change.

Armed with the written authorization of the Fujian Provincial government, we went to work compiling information on several of the leading U.S. companies marketing disk drives and contacted them directly at the computer electronics show in Las Vegas and at their plants in California. After several months of research and initial conversations with disk drive companies we found a match in Medford, Oregon at the International Memory plant recently acquired by Onyx headquartered near San Jose, California. Onyx/IMI agreed to meet with our Chinese clients and the laborious fun began. After several preliminary meetings Onyx/IMI management took the extraordinary step of asking Peter and I to also

represent them to negotiate the construction, technology transfer, training, and sale of key parts and equipment necessary to complete the project.

By gaining the trust of both the Chinese and American companies, and with the support of Oregon's United States Senators Hatfield and Packwood, we were able to bring about a successful win-win conclusion 2 years later when the first hard drive exited the line at the Fujian Electronic Computer Company in Fuzhou.



Signing the original \$2.7 million contract (Jay stands second from right.)

The process, which was my first international real estate development project, required more than 10 trips across the Pacific and more than 6 months on the ground in Hong Kong and Fujian. The result was a modern Class 100 clean room production line built within the walls of an older existing brick building and representing a technological breakthrough for the Province of Fujian and extending the employment of dozens of U.S. workers.

By applying the principles and practices of listening, honest and purposeful negotiation (sometimes lasting more than 30 non-stop hours!), and a sincere desire on the part of all parties to create a fair and successful win-win outcome, our company ORE/PAC Marketing International broke new ground in China. Today, having lived and worked in Mexico for 25 years as a grateful international REALTOR® and a 10 year member of AREA, I continue to apply the principles and practices I have learned as a member of both The National Association of REALTORS® and the Mexican Association of Real Estate Professionals (AMPI).

(The Case Study from the PORTLAND BUSINESS JOURNAL details this project and is available for the asking in PDF format. I hope you enjoy reading more about a small piece of history from those days.) Jay

BASQUING IN BOISE AN EDITORIAL



Thank you, Gail!

When the dust has settled, it is so very nice to reflect, as participants, what an absolutely perfect event the **2019 AREA Retreat** became. Boise is a lovely community, the Grove Hotel was an ideal venue, the barbecue at **Ron and Gail's** an absolute delight; the cocktail reception world class; the food and service were wonderful, the staff, so friendly and helpful, the Basque Event, very lovely and well done; the Jump afternoon team event, perfect in every way ... and then there were the presentations, the great in-depth discussions, the touching opening given by **Mr. Ogden**, the inspiring talk provided by **Evan Fuchs**, the great input from our wonderful sponsors, **CSSI** and **RPR**, whose principals attended and participated in the event. The great presentations by so many and the realization that AREA has come of age. And then, the breathtaking gifts provided for the blind drawing, and the wonderful donation of the copper vase to **Mr. Ogden**, by **Linda Neil** and **John Glaab**, who, working with **Jay West** and **Joan Mantecon**, provide a safe and secure landing for you and your clients in Mexico. **John** and **Linda** also provided a one weeks stay at their historic home in Michoacán. Also, a very special thanks to **Captain B.J. Harris** of St. John, US Virgin Islands, (week stay and an evening cruise) and **Don** and **Katy Bullock**, a day of boating on the inland water ways of Florida) for their wonderful gifts. There is not enough room in this newsletter to do the event justice, so, in a few days, we will be providing an in-depth look at the Retreat. We know that all cannot attend. So, we missed you and thought about you and worked to create future opportunities that will be of value to us all, while having the very best time one could have imaged. Thank you for being members of AREA. We are honored by your membership and continuing participation.

— Carl

— ANOTHER USEFUL TOOL FROM RPR —

RPR Launches Most Requested User Feature: Mailing Labels

REALTORS® can now create mailing labels or export owner information directly from the Realtors Property Resource® platform. These ready-to-print mailing labels will give agents another tool in their RPR toolbox for farming, prospecting or direct mail marketing within custom geographies.

REALTORS® can choose from three standard mailing label formats (Avery 5160, Avery 5161, Avery 5162) or export owner information to a spreadsheet (CSV file) that can be downloaded. This feature uses public records data (no MLS data) licensed from our public records provider, Black Knight, and is available for residential as well as commercial properties.

Each REALTOR® can export up to 2,000 records per month. This count is for each record exported, not unique properties. Export counts are reset on the first day of each month and cannot be reset at any other time.

Experience this new feature for yourself, login to narrpr.com.



AREA Would Like to
Thank These
Proud Sponsors
of the 2019 Retreat



IDEAS FROM PILLAR TO POST

PRE-LISTING HOME INSPECTIONS ARE A WIN-WIN

You put a great deal of time, money, and energy into marketing your listings, and of course you need to get a good return on that investment. One of the best steps toward that goal is to have a professional home inspection prior to listing.

A pre-listing inspection can uncover previously unknown problems – major and minor -- allowing sellers the opportunity to make repairs, updates, or replacements as needed or as they choose. The inspection report will also provide important information you can use to price the property correctly and maximize its value. A seller that understands any significant

shortcomings the home has will likely be more amenable to your advice on which issues to address and how the results of the inspection may affect – positively or negatively – the home's price and marketability. Being aware of issues in advance can result in cleaner offers and a smoother transaction for both parties.

Make sure that the home inspection offered is comprehensive and that the report will be delivered immediately upon completion of the inspection. This allows your sellers to get the information they need right away so they can quickly decide on their next steps. Photos should always be part of a professional report so that documentation of conditions is available to both the sellers and potential buyers, should the seller opt to share this information with them. This can be especially important when it comes to identifying issues that will not be addressed or repaired prior to sale. It's especially beneficial if your sellers attend the inspection, so they can get first-hand feedback and ask any questions of the inspector during the process. If the sellers choose

to repair or otherwise address any issues noted in the report, they should keep receipts and any other relevant records to prove that the work was done. Buyers are more likely to feel positive about making a strong offer on a home that has had already-known

problems addressed.

Additional testing outside the scope of a standard home inspection can also be performed, including radon, mold, WDO and other specialized inspection services, giving your sellers and potential buyers even more information. It will also lessen the chance of more surprises popping up later in the home buying process.

With a professional, comprehensive pre-listing inspection in hand, you can market your sellers' homes with increased confidence and a better outcome for everyone.



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Legal Update

with Dennis Badagliacco past Chair of the Legal Advisory Committee of the NAR

1.0 Doctor

the landowner, decided to evict an existing tenant. He filed the eviction papers. He recorded his foreclosure deed. However, the tenant decided to fight the eviction.

WOOPS: The Doctor filed the eviction papers prior to recording the foreclosure deed. The court did not allow the eviction to proceed and ruled he could evict until his deed was recorded.

MORAL OF THE CASE: Get professional help when handling legal issues!

INDEPENDENT CONTRACTOR VS EMPLOYEE

Here are some risk reduction ideas from NAR

Legal:

2.1 Know your state law regarding independent contractor classification of re-call estate licensees.

2.2 Always have a written independent contractor agreement and consider including a mandatory arbitration and class action waiver provision in such agreements.

2.3 Don't mandate meetings, administrative office duties, etc.

2.4 Allow salespeople to work where, when, and how they deem best.

3.0 Update on the Moehri v. NAR case:

"As a reminder, NAR will continue to provide regular updates on the class action litigation as it progresses. Please feel free to share these updates with your membership and colleagues. You are also welcome to share the attached FAQ document that has been recently updated.

3.1 On May 17, NAR filed a motion to dismiss the Moehrl v. NAR lawsuit which we believe demonstrated that the plaintiff's case was not legally viable. In response, the class action attorneys filed an amended

complaint on June 14. While the new complaint presents additional plaintiffs and factual allegations, as well as revised arguments, the underlying foundation of it remains the same. The plaintiffs' attorneys continue to misunderstand and mischaracterize the pro-competitive, pro-consumer MLS system, which – as you know – is designed first and foremost with the best interests of buyers and sellers in mind. As expected, the amended complaint also consolidated one of the copycat lawsuits filed in Illinois after Moehrl v. NAR. We will file a motion to dismiss this consolidated complaint on August 9.

3.2 On July 10, NAR will file a motion to dismiss another copycat lawsuit filed in Missouri. That motion to dismiss will focus solely on the court's lack of jurisdiction over NAR. We intend to file another motion to dismiss based on the merits of the complaint on August 5.

3.3 NAR continues to believe these lawsuits are wrong on the facts, wrong on the economics and wrong on the law. We remain confident in our position to stand by the pro-competitive and pro-consumer MLS system.

3.4 We will continue to keep you informed as events regarding the litigation unfold. In the meantime, we would greatly appreciate if you could inform us of any media inquiries you receive by emailing Mantill Williams, NAR's VP of Public Relations and Communication Strategy, at: mwilliams@realtors.org.