



STATE OF CONNECTICUT

DEPARTMENT OF CONSUMER PROTECTION

In the matter of)
)
DECLARATORY RULING PETITION)
OF TOLL BROTHERS, INC)

INTRODUCTION

Pursuant to Conn. Gen. Stat. Section 4-176(a), Toll Brothers, Inc. (“Toll”) filed a petition with the Connecticut Department of Consumer Protection, Connecticut Real Estate Commission (“Commission”) for a declaratory ruling. At issue is whether Toll’s proposed monetary gift program violates Conn. Gen. Stat. Sections 20-311(3) and 20-325 and Regs. Conn. State Agency Section 20-328-8a. Toll proposed a monetary gift program that would provide cash gifts of up to Three Thousand (\$3,000) Dollars to Toll homeowners (“homeowners”) who refer a family member or friend to a Toll sales representative, and the referred family member or friend (“homebuyer”) subsequently purchases a new Toll home in a Toll community in Connecticut. Toll did not ask the Commission to amend the applicable statutory provisions or to change the way in which the definition of “engaging in the real estate business” found in Conn. Gen. Stat. Section 20-311(3) has been interpreted.

STATEMENT OF FACTS

1. In December, 2011, Commission received a complaint of an advertisement about a program Toll had in place to pay referral fees to present Toll owners for referring a homebuyer who purchases a Toll home in the Toll development. **See** Exhibit 1.

2. On December 22, 2011, Commission sent a letter to Toll advising Toll that the practice violated Connecticut law, referencing Conn. Gen. Stat. Sections 20-311 (3) and 20-325, and Regs. Conn. State Agency Section 20-328-8a. See Exhibit 2.

3. On January 4, 2012, Toll responded to Commission and sent a letter to Commission stating that Toll would immediately cease and desist from any such practice. See Exhibit 3.

4. On March 29, 2012, Toll filed a Petition for Declaratory Ruling with the Commission seeking a determination as to whether an amended proposed program would violate the provisions of Conn. Gen. Stat. Sections 20-311 and 20-32. See Exhibit 4.

5. On April 16, 2012, Commission placed the matter on the agenda for a meeting scheduled for Wednesday, June 6, 2012. See Exhibit 5.

6. On August 9, 2012, the Connecticut Association of Realtors ("Realtors") submitted a written request that the Commission not issue a Declaratory Ruling in response to Toll's request. Realtors urged that "[t]here was no need to issue a Declaratory Ruling as to the application of the statutes to the Petitioner's proposed marketing plan when the application "engaging in the real estate business" set forth in § 20-311 (3)) is very clear. A third party who is not a principal in the transaction but who is receiving compensation means the third party is engaging in the real estate business and must have a real estate license." See Exhibit 8.

7. Commission published a *Notice of Declaratory Ruling Proceeding* in the **Connecticut Law Journal** for August 14, 2012 inviting all persons to participate on October 3, 2012 at the hearing and to submit written comments. See Exhibit 6.

8. On August 31, 2012, Toll submitted a *Memorandum of Law In Support Of Toll Brothers, Inc.'s Petition For A Declaratory Ruling* to the Commission. **See** Exhibit 7.

9. On October 3, 2012, pursuant to Conn. Gen. Stat. Section 4-176 (e) & (g), the Commission conducted a public hearing to receive testimony and evidence. The hearing was continued to December 5, 2012.

10. On October 5, 2012, the Commission requested Toll to provide certain further information and answers to remaining questions to better understand the proposed homebuyers program. **See** Exhibit 13.

11. On October 19, 2012, the Commission received a written statement of support for Toll's proposed program from Bill Ethier, Esq., Chief Executive Officer, Home Builders & Remodelers Association of Connecticut, Inc. Mr. Ethier urged the Commission to encourage, not prohibit, persons to refer new customers to new homes constructed by members of his organization. "From a policy perspective, finding that such referrals amount to engaging in the real estate business is highly damaging and disruptive to small-business growth in Connecticut. Such referrals of potential new customers, especially from existing customers, are in fact the lifeblood of many NHCC's (new home construction contractors) and amount to the best form of marketing."

See Exhibit 14.

12. On November 2, 2012, Toll responded to the Commission's request by submitting an affidavit of Jonathon Margolis, Esq., Assistant Vice President and Counsel of Toll, along with other additional written information, including details on the proposed homebuyers program. **See** Exhibits 9, 10, 11, 12 and 14.

13. Conn. Gen. Stat. Section 20-311 entitled "*Definitions*" provides in subsection (3), in relevant part:

"Engaging in the real estate business" means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, or exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate...or collecting upon a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate;"

14. Conn. Gen. Stat. Section 20-325 entitled *Engaging in business without license* provides:

"Any person who engages in the business of a real estate broker or real estate salesperson without obtaining a license as provided in this chapter shall be fined not more than one thousand dollars or imprisoned not more than six months or both, and shall be ineligible to obtain a license for one year from the date of conviction of such offense, except that the commission, in its discretion, may grant a license to such person within such one-year period upon application and after a hearing on such application."

15. On November 21, 2012, Connecticut Association of Realtors ("CAR") sent the Commission a written critique on the additional information Toll had provided to the Commission on November 2, 2012 concerning payments as "gifts." CAR stated in their brief that the IRS would not regard the \$3,000 payment as a "gift" because it is compensation for a service rendered. CAR argued that the referral is not a simple action, but may involve wide-ranging sales activities such as showing the property/visiting the prospective home site with the prospect in order to make the referral or sell the property. See Exhibit 15.

16. On December 5, 2012, Commission continued the hearing for further testimony and evidence. The hearing was continued to February 6, 2013.

17. On January 28, 2013, Commission received from Toll a summary of the requirements of the Toll program. See Exhibit 16.

18. On February 5, 2013, Commission received from CAR additional written argument in opposition to the Toll program. See Exhibit 17.

17. On February 6, 2013, Commission continued the hearing for final testimony and arguments. At the end of the hearing, Acting Chairperson Marilyn Keating advised "having received all evidence, testimony and documentation the proceedings are closed." She further stated that this matter would be reviewed and discussed in open forum at the April 3, 2013 Commission meeting and continued the matter to April 3, 2013.

18. On April 3, 2013, Commission continued the hearing. After discussion, Commission decided to defer judgment until their next regular meeting on June 5, 2013. Attorney Vicky Bullock was asked to prepare a Proposed Order for Commission to review and consider prior to the next meeting. Commissioner Joseph S. Kronen recused himself from the matter. The Commission agreed to continue the matter to June 5, 2013.

19. On June 5, 2013, Commission continued the hearing and rendered a decision that the Toll proposed new program was in violation of Conn. Gen. Stat. Sections 20-311(3) and 20-325.

20. On August 7, 2013, Commission granted a motion for reconsideration, vacated the June 5, 2013 decision and rendered a new decision that the Toll program does not violate Conn.Gen. Stat. Sections 20-311(3) and 20-325, if the program requirements are strictly followed by the parties.

ANALYSIS ON ISSUES OF LAW

Toll seeks a declaratory ruling that its proposed program does not violate Conn. Gen. Stat. Sections 20-311 and 20-325, and Regs. Conn. State Agency Section 20-328-8a.¹

As submitted, amended and testified by Toll, the essential requirements of the Toll proposed program include the following:

- Toll may provide a gift of money -- expected to be as much as \$3,000 regardless of the price of a home -- to an existing homeowner in a Toll community who recommends a Toll homebuyer to a Toll sales representative upon the homebuyer's purchase of a new Toll home in a Toll community;
- A Toll homebuyer must identify the Toll homeowner as a referral source;
- Payment of the gift of money would be made only if the participants met all the requirements for the Toll program.
- No information will be disclosed to the homeowner receiving the gift, other than that the Toll homeowner was identified as a source and a Toll homebuyer has closed on the purchase of a Toll home. The Toll homeowner will have no right to request any information relating to the transaction;
- Toll homeowners are prohibited from engaging in any activity outside of the referral of a homebuyer. The Toll homeowners are prohibited from engaging in e-mail promotion, participation in showings of the Toll property, inspection of new or model homes or new homes under construction; participating in discussions with real estate professionals or any other activity involving promotion of Toll property;
- Any gift will be made by Toll, and not by the real estate company that is selling the listing;
- Any gift will be made post-closing, in a separate transaction not in any way connected with any closing;

¹ Regs. Conn. State Agency Section 20-328-8a is not used by the Commission in this Ruling because the regulation involves professional duties and services to parties by a licensee, not by unlicensed persons such as Toll homeowners.

- Any gift will be identified on Toll books as a cost of sale, and not in any way as a write-off or connected with any closing;
- Identification of the gift of money will not appear on any HUD-1 form, i.e., money will not be given to the homeowner in connection with any closing;
- Toll will issue an U.S. Internal Revenue Service (IRS) Form 1099-Misc. to the homeowner receiving the gift. Toll will not issue any tax advice to the homeowner. Should Toll learn from the IRS or other authority that it should not issue a 1099, or instead issue some other form, it will do so;
- The homeowner will not be an agent, representative or employee of Toll;
- The homeowner will have no involvement in any way with any licensed real estate broker who may be involved in the sale, and is neither asked, nor permitted, to perform any of the duties traditionally performed by a licensed real estate broker or agent;
- The homeowner will have no involvement "in the listing for sale, selling, exchanging, buying or renting" of any Toll property;
- The homeowner will have no involvement in the "offering or attempting to negotiate a sale, exchange, purchase or rental of any interest in" any Toll property;
- The homeowner will not be involved with any "loan secured or to be secured by a mortgage or other encumbrance upon" any Toll property;
- The homeowner will not be authorized to, and will not in any way act on behalf of Toll or any affiliate or subsidiary, including the selling entity;
- The program will in no way interfere with the ability of any real estate broker or agent to earn any commission. The gift will not in any way be a real estate commission;
- Toll is responsible for enforcing the requirements of its program. If there is a violation of the program requirements, Toll shall deny payment of the gift of money;
- Any violation of the program renders the payment of a gift by Toll to the existing homeowner a violation of Conn. Gen. Stat. Sections 20-311(3) and 20-325; and

- Toll is prohibited from written advertisement of the program whether by publication or e-mail.²

The Commission's analysis for declaratory judgment is based upon our review of the totality of the above stated Toll program presented and amended by Toll through evidence and testimony in the hearings on their Petition for Declaratory Ruling.

Conn. Gen. Stat. Section 20-311(3) states that "[e]ngaging in the real estate business" means acting for another and for a fee, commission, and/or other valuable consideration in the listing for sale, selling, exchanging, buying or renting or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collecting upon a loan secured by a mortgage or other encumbrance upon or transfer of real estate."

Applying the definition in Section 20-311(3)³ to the requirements of the amended program, the Commission finds that a homeowner recommending that a homebuyer visit a Toll property is not "engaging in the real estate business." If the program requirements are followed by the participants, the recommending homeowner is not

² The prohibition from written advertisement of the program ensures that Toll remains under no obligation to pay money to any recommending homeowner. The prohibition is consistent with the Toll program requirements that recommending homeowners are not "engaged in the real estate business" or have a contractual relationship ("offer and acceptance") with Toll.

³ There is a paucity of case law concerning Section 20-311(3). Although the reported cases refer to Section 20-311(3), the cases focus on the recovery of real estate broker's commissions. In Belfonti v. Connecticut-Memphis, Ltd., No. 299854, 1991 Conn. Super. Lexis 1384 (Connecticut Superior Court, June 14, 1991), the trial court granted defendants' motion to strike the complaint for failure to state a cause of action because the plaintiff had not alleged that he is a licensed broker and therefore cannot sue to recover a commission or fee in connection with the sale of real property under Conn. Gen. Stat. Section 20-325a(a). In Dow & Condon v. Brookfield Development Corp., 266 Conn. 572 (2003), plaintiff entered into a brokerage agreement with a real estate brokerage company located in Chicago, that while licensed in Illinois, was not licensed in Connecticut. *Id.*, at 574-575. The Connecticut Supreme Court ruled "that a violation of Section 20-328e of the Regulations bars recovery of a commission by a licensed real estate broker who has violated the regulation by agreeing to share its commission with an unlicensed party." *Id.*, at 595. Thus, the case law is concerned with co-brokerage arrangements among real estate brokers, only one of which is licensed. The Toll program involves no sharing of a commission with a broker.

“acting for another” or on behalf of Toll Brothers, or on behalf of recommended homebuyer, or on behalf of anyone else. If the program requirements are followed by the participants, the homeowner has no involvement “in the listing for sale, selling, exchanging, buying or renting” of any Toll property, and no involvement in the “offering or attempting to negotiate a sale, exchange, purchase or rental of any interest in” any Toll property. The homeowner has no role in the negotiation or sale of any home, and has no relationship to any real estate broker. Finally, a homeowner is not involved with any “loan secured or to be secured by a mortgage or other encumbrance upon” any Toll property.

The Toll program as presented by Toll to the Commission does not appear to circumvent or be in lieu of the licensed agent's or broker's statutory fee, commission or other valuable consideration associated with the transaction.

Finally, Section 20-325 prohibits a person from engaging in the real estate business without a license. If the homeowner who follows the program requirements is not engaged in the real estate business, the prohibition set forth in Section-325 does not apply to the program.

DECLARATORY RULING

Toll's program does not violate Conn. Gen. Stat. Section 20-311 (3) and 20-325.

Pursuant to Conn. Gen. Stat. Section 4-176 et seq., the Commission issues the following Declaratory Ruling in response to Toll's Petition concerning the legality of a Toll program in which money is paid to unlicensed third parties for a referral to a homebuyer. It is the Commission's determination that Toll's program, if strictly followed, would not violate sections 20-311(3) and 20-325.

In order to ensure uniformity in Toll's application of the program, the Commission reserves the right to review each future transaction in order to determine whether or not it conforms to the program requirements provided by Toll at the Commission hearings. The Commission shall require Toll Brothers to enforce the program requirements and submit a yearly report to the Commission, due December 31st of each year, until further notice, describing in detail the previous eleven and a half (11 1/2) months' transactions in which a monetary gift was given to a homeowner, including name and address of the homeowner, nature and amount of gift, real property involved, circumstances surrounding the giving of the gift, name of the homebuyer, homebuyer's relationship to recommending homeowner, and the way the gift was paid.

Moreover, to remain in compliance with the aforementioned statutes, Toll shall not advertise the program as a solicitation. Toll shall comply with all applicable laws in this transaction, including RESPA. Finally, this Declaratory Ruling by the Commission applies only and strictly to the very specific requirements and conditions of the Toll program and to no other program.

CONCLUSION

If the above Toll program requirements are strictly followed, Toll's proposed program of providing a monetary gift of up to Three Thousand (\$3,000.00) Dollars to a Toll homeowner who has referred a successful buyer of a new Toll home in a Toll community is not a violation of Conn. Gen. Stat. Sections 20-311(3) and 20-325.

Dated this *9th* day of August, 2013.

BY THE COMMISSION

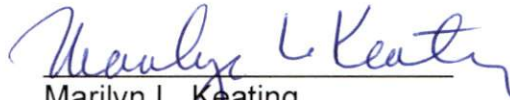

Marilyn L. Keating
Acting Chairperson

CERTIFICATION

I hereby certify that a copy of the foregoing was mailed, postage prepaid, return receipt requested, this 9th day of August, 2013 to the following:

Eugene A. Marconi, Esq.
General Counsel
Connecticut Association of Realtors, Inc.
111 Founders Plaza, Suite 1101
East Hartford, CT 06108-3212

Jeffrey J. Mirman, Esq.
Hinckley, Allen & Snyder, LLP
20 Church Street
Hartford, CT 06103-1221



Marilyn L. Keating
Acting Chairperson
Connecticut Real Estate Commission

You are Invited to

COOPERATION

Hosted by



McCARROLL
INVESTMENT
SERVICES

Saturday, October 22, 2011
Noon to 4 P.M.

Please RSVP by October 19th by calling (203) 758-4494 or

Email ReagencyATProspect@tollbrothersinc.com

\$7,000

Refer a friend to Reagency at Prospect and receive \$7,000.
You will also be able to give your friend a \$3,000 certificate
toward options on a new Toll Brothers home!

THIS OFFER IS CONDITIONAL UPON THE FOLLOWING:

The new Toll Brothers customer upon referral (REFERRAL) will be our sales center, located at the existing homebuyer's home and address on our Vision Card for the source of referral. The referring homebuyer's address must be a Toll Brothers community address. There may be only one referral source for prospect. If more than one party is listed on the Vision Card or more than one party claims to be the referred friend for purchasing home at the sales, then no payments will be made. The customer must complete settlement on the home purchased. A homebuyer referral certificate is \$3,000 value and is an important representation of Toll Brothers. After review of the individual certificate by Toll Brothers and validation of the above conditions, the referring homebuyer will receive in cash for \$1,750, N-1400-SAND DCL (MSB 157 650 03) and the rest by a will receive a certificate for THREE THOUSAND DOLLARS (\$3,000.00) toward options on the new home. Offer valid for new buyers who sign an agreement of sale at Prospect at Prospect, 102711 and 1027111.

The complete terms are in an offering letter available from prospect. Prospect at Prospect, CT Reg 4314. There is one an offering where prohibited by law.



TOLL
BROTHERS
INCORPORATED



STATE OF CONNECTICUT

DEPARTMENT OF CONSUMER PROTECTION



TRADE PRACTICES DIVISION

December 22, 2011

Mr. Robert Toll, CEO
Toll Brothers, Inc.
250 Gibraltar Road
Horsham, PA 19044

FILE COPY

Mr. Gregory Kamedulski, Vice President
Toll Brothers Inc.
53 Church Hill Road
Newtown, CT 06470

RE: Referral Fees

Dear Sirs:

It has come to the attention of the Department of Consumer Protection that Toll Brothers Inc., and, more specifically, Regency at Prospect located in Prospect, CT has a program in place to pay referral fees to present owners for referring a potential client to purchase a home in the development. Attached is a copy of the advertisement for this offer that was sent to the Department. This practice is against the law in the state of Connecticut. Please review the pertinent sections of the law below.

Sec. 20-328-8a. Commissions and compensation

(e) No licensee shall offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the licensee's commission or compensation arising or accruing from any real estate transaction to any person who is engaging in the real estate business and who was not licensed as a real estate broker or real estate salesperson at the time the real estate broker or real estate salesperson performed the acts or rendered the services for which the licensee offers, promises, allows, gives, pays or rebates such commission or compensation.

This section prohibits a real estate broker from paying referral fees to an unlicensed person. Valuable consideration can only be given to a party to the transaction, i.e. the seller or the buyer of the property.

Sec. 20-325. Engaging in business without license. Any person who engages in the business of a real estate broker or real estate salesperson without obtaining a license as provided in this chapter shall be fined not more than one thousand dollars or imprisoned not more than six months or both, and shall be ineligible to obtain a license for one year from the date of conviction of such offense, except that the commission, in its discretion, may grant a license to such person within such one-year period upon application and after a hearing on such application.

This section states the punishment of the person who receives the valuable consideration which is a misdemeanor with a \$1000 fine, 6 months in jail or both. By compensating an owner of a home at Regency of Prospect for providing a lead or referral of another person who purchases, Toll Brothers, Inc. is putting that owner in jeopardy of being charged with a misdemeanor crime.

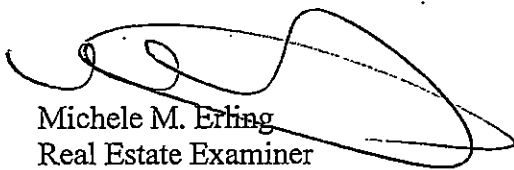
Sec. 20-311. Definitions (3) "Engaging in the real estate business" means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collecting upon a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate.

This is the definition of "engaging in real estate" and is self-explanatory.

You must immediately cease and desist from this or any offer of compensation to a person or entity who is not a party to the transaction, i.e. seller or buyer. Please respond in writing no later than January 6, 2012 that you will comply with this directive.

Thank you for your anticipated cooperation in this matter.

Sincerely,



Michele M. Erling
Real Estate Examiner
(860)713-6156
Michele.Erling@ct.gov

enc

You are Invited to

OCTOBERFEST!

Hosted by



REGENCY
AT PROSPECT
Toll Brothers

Saturday, October 22, 2011

Noon to 4 p.m.

1012 Prospect

1012 Prospect

Prospect, Connecticut

Beer & Food

Music and Entertainment

Costume Contest

Games

Please RSVP by October 19th by calling (203) 758-4494 or
Email RegencyAtProspect@tollbrothersinc.com

\$7,000

Refer a friend to Regency at Prospect and receive \$7,000.
You will also be able to give your friend a \$3,000 certificate
toward options on a new Toll Brothers home!

THIS OFFER IS CONDITIONAL UPON THE FOLLOWING:

The new Toll Brothers customer, upon his/her INITIAL visit to any sales center, must fill in the referring homeowner's name and address on our Visitor Card as the source of referral. The referring homeowner's address must be a Toll Brothers community address. There may be only one referral source per home. If more than one party is listed on the Visitor Card or more than one party claims to be the referral source or prompting cause of the sale, then no payments will be made. The customer must complete settlement on the home purchased. A homeowner referral certificate must be validated by an authorized representative of Toll Brothers. After receipt of the validated certificate by Toll Brothers and verification of the above conditions, the referring homeowner will receive a check for SIX THOUSAND DOLLARS (\$6,000.00), and the new buyer will receive a certificate for THREE THOUSAND DOLLARS (\$3,000.00) toward options on the new home. Offer valid for new buyers who sign an agreement of sale at Regency at Prospect between 10/2/11 and 12/31/11.

The complete terms are in an Offering Plan available from sponsor, Regency at Prospect, CT Reg #335. This is not an offering where prohibited by law.

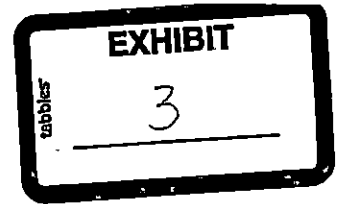


Toll Brothers
A Division of Regency Homes, Inc.

TOLL
BROTHERS
NYSE

Toll Brothers

America's Luxury Home Builder®



Jonathan Margolis, Esquire
Assistant Vice President and Counsel

RECEIVED
Direct Dial: (215) 938-3052
Fax: (215) 938-8255
2012 JAN -9 A 7 27

STATE OF CONNECTICUT
CONSUMER PROTECTION
TRADE PRACTICES
January 4, 2011

Via Overnight Mail
Michele M. Erling
Real Estate Examiner
State of Connecticut
Department of Consumer Protection
Trade Practices Division
165 Capitol Avenue
Hartford, CT 06106

Re: Referral Fees

Dear Ms. Erling:

I write in response to your December 22, 2011 letter. As you requested, Toll will comply with the directive set forth in your letter and will immediately cease and desist from any such conduct.

Thank you for calling this to our attention. Should you have any further questions or concerns, please feel free to direct them to my attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Margolis". The signature is fluid and cursive, with a long, sweeping underline.

Jonathan Margolis

JM/pf



JEFFREY J. MIRMAN
(860) 676-3120
jmirman@ldlaw.com

March 29, 2012

VIA HAND DELIVERY

Elisa Nahas, Esq.
Litigation Director
State of Connecticut
Department of Consumer Protection
165 Capitol Avenue
Hartford, CT 06106-1630

**Re: Toll Brothers, Inc. - Petition for Declaratory Ruling
To Connecticut Real Estate Commission**

Dear Ms. Nahas:

This office represents the interests of Toll Brothers, Inc. Pursuant to Section 21a-9-10(b) of the Connecticut State Regulations, please find enclosed a Petition for Declaratory Ruling to the Connecticut Real Estate Commission, together with a copy for the Department of Consumer Protection.

Very truly yours,

LEVY & DRONEY, P.C.



Jeffrey J. Mirman

JJM/st
Enclosures

cc: Assistant Attorney General Alan Ponansky (via mail)

STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION

RECEIVED

MAR 13 2012

PETITION FOR A DECLARATORY RULING

LEGAL DIVISION
CONSUMER PROTECTION

Pursuant to Conn. Gen. Stat. Section 4-176 and Regs. Conn. State Agencies Section 21a-1-10, Toll Bros., Inc. of 250 Gibraltar Road, Horsham, PA 19044, by and through undersigned counsel, petitions the Department of Consumer Protection for a Declaratory Ruling as to the applicability of Conn. Gen. Stat. Sections 20-311 and 20-325, and Regs. Conn. State Agencies Section 20-328-8a.

Factual Background.

Toll Brothers, Inc. is an award-winning multi-state developer and builder of new home communities. Toll Brothers, through various subsidiaries, has been building new home communities in Connecticut for twenty years, and currently is developing townhome, condominium and single family home communities in Danbury, Bethel, Avon, Wallingford, Prospect, and Stonington, Connecticut.

In Wallingford, for example, Toll Brothers is developing a community of 28 single family homes for sale at 803 North Farms Road. Sales at the site are overseen by a sales manager who is a full time employee of Toll Brothers. The sales manager sells from a sales center in the Ellsworth Williamsburg model home, which won the HOBI Award for Best Single-Family Home from the Home Builders Association of Connecticut.

In Wallingford, as at other Toll Brothers communities in Connecticut, Toll Brothers has encouraged existing home owners to recommend to their friends, family, and others to consider purchasing a Toll Brothers home. The Company has found that a community of friends and family becomes closely knit, and more desirable for others considering purchasing a new home.

Accordingly, Toll Brothers wishes to encourage existing homeowners to recommend potential buyers to Toll Brothers sales team. In this regard, Toll Brothers wishes to initiate a program under which existing Toll Brothers homeowners who recommend to their friends or family (a "Recommended Homebuyer") to a sales representative receive a gift of up to \$ 3,000 upon the purchase by the Recommended Homebuyer of a new home. At the time of the initial visit by a Recommended Homebuyer they would have to indicate that it was recommended they visit a Toll Brothers community by an existing Toll Brothers homeowner. Thereafter, if the Recommended Homebuyer purchases a Toll Brothers home, the recommending homeowner will receive a gift not to

exceed the amount listed above. The recommending homeowner will have no obligations beyond making that initial recommendation, and is in no way involved in the negotiation or sale of any home.

Moreover, the recommended homeowner is not involved in any way with any licensed real estate brokers who may be involved in the sale and is not asked, nor permitted to perform any of the duties traditionally performed by a licensed broker. Toll Brothers in no way intends to interfere with the ability of any broker to earn a commission on the sale of any Toll Brothers home. The payment made to the recommending homeowner would be in addition to any commission which might be due and owing to a real estate broker under Toll Brothers commission policies.

The Law

Section 20-311 of the Connecticut General Statutes provides:

"Engaging in the real estate business" means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collecting upon a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate

Section 20-325 of the Connecticut General Statutes provides:

Engaging in business without license. Any person who engages in the business of a real estate broker or real estate salesperson without obtaining a license as provided in this chapter shall be fined not more than one thousand dollars or imprisoned not more than six months or both, and shall be ineligible to obtain a license for one year from the date of conviction of such offense, except that the commission, in its discretion, may grant a license to such person within such one-year period upon application and after a hearing on such application.

Section 20-329 of the Connecticut General Statutes provides, in pertinent part:

The provisions of this chapter concerning the licensure of real estate brokers and real estate salespersons shall not apply to: (1) Any person who as owner or lessor performs

any of the acts enumerated in Section 20-311, with reference to property owned, leased or sought to be acquired or leased by the person, or to the person's regular employees who are employed as on-site residential superintendents or custodians, with respect to the property so owned or leased or sought to be acquired or leased when such acts are performed in the regular course of, or incident to, the management of such property and the investment therein

Section 20-328-8a of the Regulations of Connecticut State Agencies provides:

(e) No licensee shall offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the licensee's commission or compensation arising or accruing from any real estate transaction to any person who is engaging in the real estate business and who was not licensed as a real estate broker or real estate salesperson at the time the real estate broker or real estate salesperson performed the acts or rendered the services for which the licensee offers, promises, allows, gives, pays or rebates such commission or compensation.

Analysis.

Toll Brothers does not dispute that, as the provisions set forth above make clear, a licensed real estate agent or broker may not provide a referral fee or to otherwise share a commission with one who is not licensed and who has engaged in the real estate business, as defined by the statute. Toll Brothers also does not dispute that one may not engage in the business of real estate without a license. Nevertheless, Toll Brothers is permitted under the statutes and regulations of the State of Connecticut to pay a recommendation fee to existing Toll Brothers homeowners as a gift for recommending friends and family because Toll Brothers is a home builder/seller, not a licensed real estate agent or broker. Thus, Toll Brothers is not subject to the provisions of Section 20-311, or the regulations promulgated thereunder, including Section 20-328-8a.

The mere recommendation to visit a Toll Brothers community to a potential homebuyer in no way falls within the definition of "engaging in the real estate business" set forth Section 20-311 and such arrangement does not in any way interfere with the conduct of a licensed agent or broker who may otherwise be entitled to a commission under Toll Brothers commission policy. Toll Brothers' recommendation fee is nothing more than a marketing program under which Toll Brothers offers a gift to existing Toll Brothers homeowners who help grow and add value to a Toll Brothers Community by sharing their positive

experiences with a friend or family member who later buys a home. It does not cut against, and is indeed complimentary to the role played by licensed real estate brokers and agents.

Conclusion.

Accordingly, Petitioner asks that the Department issue a Declaratory Ruling, holding that Toll Brothers may, pursuant to the statutes and regulations cited above, and without violating any State Law or Statute, provide compensation to one who refers to Toll Brothers a person who buys a Toll Brothers property in Connecticut, so long as the compensation is paid upon the closing of the sale of the property, and so long as the payment of such compensation does not cause any reduction in any commission to which a licensed agent or broker is otherwise entitled.

THE PETITIONER,
TOLL BROS., INC.

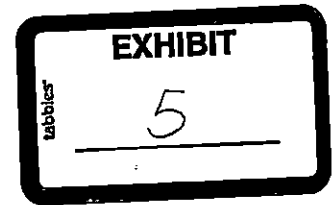
By



Jeffrey J. Mirman, Esq.
LEVY & DRONEY, P.C.
74 Batterson Park Rd.
P.O. Box 887
Farmington, CT 06034
(860) 676-3120
(860) 676-3200 (fax)
jmirman@ldlaw.com
Its Attorneys



STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION



April 16, 2012

Jeffrey J. Mirman, Esq.,
Levy & Droney, P.C.
74 Batterson Park Rd.
P.O. Box 887
Farmington, CT 06034

Re: Petition for Declaratory Ruling from Toll Brothers, Inc.

Dear Mr. Mirman:

We are in receipt of your March 29, 2012 Petition for a Declaratory Ruling. Your petition seeks a determination of the applicability of Connecticut General Statutes, Section 20-311 and Section 20-325 and Section 20-328-8a of the Regulations of Connecticut State Agencies. The Petition has been submitted in accordance with Section 21a-9-10 of the Regulations of Connecticut State Agencies and Section 4-176 of the Connecticut General Statutes. Specifically, you request clarification of the appropriateness of a proposed Recommended Homebuyer program at Toll Brothers communities in Connecticut.

Please be advised that your March 29, 2012 Petition has been referred to the Connecticut Real Estate Commission for its consideration and has been placed on the agenda for its next meeting, which is Wednesday, June 6, 2012. We have requested that the Commission secretary provide you with a copy of the June 6th agenda at jmirman@ldlaw.com.

If you have any questions or comments in the interim, please do not hesitate to contact us.

Very truly yours,

A handwritten signature in black ink that reads "Elisa A. Nahas".

Elisa A. Nahas, Esq.

cc: Alan Ponanski, Esq.
Vicky Bullock, Esq.
Richard Hurlburt, Director
Richard Maloney, Director

ADMINISTRATIVE REGULATIONS

Regulations and notices published herein, pursuant to General Statutes Sections 4-168 and 4-173, are printed exactly as submitted by the forwarding agencies. These, being official documents submitted by the responsible agencies, are consequently not subject to editing by the Commission on Official Legal Publications.

A cumulative list of effective amendments to the Regulations of Connecticut State Agencies may be found in the Connecticut Law Journal dated August 7, 2012.

CONNECTICUT HOUSING FINANCE AUTHORITY

Notice of Intent to Amend Procedures

Statement of purpose: To amend the Emergency Mortgage Assistance Program Procedures of the Authority.

Summary of proposed procedures: The Procedures are being amended to include amendments regarding mortgagor eligibility and terms of assistance.

Copies of the proposed Procedures may be obtained by calling (860) 571-4341. All interested persons may submit written data, views and arguments in connection with the above-stated proposed procedures to the President-Executive Director, Connecticut Housing Finance Authority, 999 West Street, Rocky Hill, Connecticut 06067, no later than 30 days after publication of this notice.

CONNECTICUT REAL ESTATE COMMISSION

Notice of Declaratory Ruling Proceeding

The Connecticut Real Estate Commission hereby gives notice of its intent to hold a declaratory ruling proceeding pursuant to Connecticut General Statutes, Section 4-176.

The Commission intends to issue a Declaratory Ruling on the following:

- The applicability of Connecticut General Statutes, Section 20-311 and Section 20-325 and Section 20-328-8a of the Regulations of Connecticut State Agencies on a proposed Recommended Homebuyer program at Toll Brothers communities in Connecticut.

Copies of the Petition for Declaratory Ruling are available by contacting the Commission Secretary at (860) 713-6138 or robin.washbond@ct.gov.

All persons who wish to express their views orally may do so at a public hearing to be held at the Department of Consumer Protection, Room 126, State Office Building, 165 Capitol Avenue, Hartford, Connecticut, at 10:00 a.m., on Wednesday, October 3, 2012. All persons who wish to submit written comments shall do so within thirty (30) days following the publication of this notice. An original and



STATE OF CONNECTICUT
REAL ESTATE COMMISSION

IN THE MATTER OF:

TOLL BROS., INC.,
Petitioner

AUGUST 31, 2012

**MEMORANDUM OF LAW IN SUPPORT OF TOLL BROTHERS, INC.'S
PETITION FOR A DECLARATORY RULING**

The Petitioner Toll Bros., Inc., by and through undersigned counsel, submits this Memorandum of Law in Support of its Petition for a Declaratory Ruling submitted on or about March 29, 2012.¹

The Petition.

As the Petition makes clear, pursuant to Conn. Gen. Stat. Section 4-176(a),² Toll Bros. has asked the Real Estate Commission to issue a Declaratory Ruling as to the applicability of Conn. Gen. Stat. Sections 20-311 and 20-325, and Regs. Conn. State Agencies Section 20-328a to a proposed program whereby existing homeowners in Connecticut communities developed by Toll Bros. can receive a cash gift for referring potential homebuyers who ultimately purchase a home in a Toll Bros. community.

RECEIVED

AUG 31 2012

LEGAL DIVISION
CONSUMER PROTECTION

¹ This Memorandum will address the issues raised by the Connecticut Association of Realtors in opposition to the Petition for a Declaratory Ruling filed with the Commission on or about August 8, 2012.

² Section 4-176(a) provides, "Any person may petition an agency . . . for a declaratory ruling as to the . . . applicability to specified circumstances of a provision of the general statutes, a regulation, or a final decision on a matter within the jurisdiction of the agency."

Thereafter, the Commission gave notice of its intent "to issue a Declaratory

Ruling on the following:

The applicability of Connecticut General Statutes, Section 20-311 and Section 20-325 and Section 20-328a of the Regulations of Connecticut State Agencies on a proposed Recommended Homebuyer program at Toll Brothers communities in Connecticut.

The Proposed Homebuyer Program.

As the Petition makes clear, the following facts are relevant to the Commission's consideration of applicability of the statutory scheme:

- Toll Brothers, Inc. is a multi-state developer and builder of new home communities, including Connecticut;
- Toll Brothers has been building new home communities in Connecticut for more than twenty years, and is currently developing and building communities in Danbury, Bethel, Avon, Wallingford, Prospect, and Stonington;
- In Wallingford Toll Brothers is developing a community of 28 single family homes. Sales are overseen by a sales manager, who is a full time employee of the company. The sales manager is on-site full time at one of the community's model homes;
- In Wallingford, as at other Toll Brothers communities in Connecticut, the company has encouraged existing home owners to recommend to their friends, family and others to consider purchasing a Toll Brothers home, inasmuch as a community of friends and family becomes more closely knit, and more desirable for others considering the purchase of a new home;
- Toll Brothers, then, wishes to initiate a program by which existing homeowners in a Toll Brothers community in Connecticut who recommend to their friends or family (a "Recommended Homebuyer") to a sales representative will receive a gift of up to \$3,000 upon the purchase by the Recommended Homebuyer of a new home;
- At the time of the initial visit a Recommended Homebuyer will need to indicate that it was recommended that they visit a Toll Brothers community by an existing Toll Brothers homeowner. Thereafter, if the Recommended Homebuyer purchases a Toll Brothers home, the recommending homeowner will receive a gift not to exceed \$3,000;

- The recommending homeowner has no obligation beyond making the initial recommendation in order to receive the gift, and is in no way involved in the negotiation or sale of any home;
- The recommending homeowner is not involved in any way with any licensed real estate broker who may be involved in the sale, and is neither asked, nor permitted, to perform any of the duties traditionally performed by a licensed real estate broker or agent;
- The gift or compensation to the recommending homeowner will be made only upon the closing of the sale of a property;
- Toll Brothers will not interfere with the ability of any broker to earn a full commission on the sale of any Toll Brothers home;
- The gift provided to the recommending homeowner is to be in addition to any commission which might be due and owing to a licensed real estate broker, and will not cause any reduction in any commission to which a licensed agent or broker is otherwise entitled.

•
The Applicable Statutory and Regulatory Provisions Which are the Subject of Toll Brothers' Petition.

The Statutory and Regularly provisions which Toll Brothers asks the Commission to apply to the proposed program include the following:

Section 20-311 of the Connecticut General Statutes provides:

"Engaging in the real estate business" means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collecting upon a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate

Section 20-325 of the Connecticut General Statutes provides:

Engaging in business without license. Any person who engages in the business of a real estate broker or real estate salesperson without obtaining a license as provided in this chapter shall be fined not more than one thousand dollars or imprisoned not more than six months or both, and shall be ineligible to obtain a license for one year from the date of conviction of such offense, except that

the commission, in its discretion, may grant a license to such person within such one-year period upon application and after a hearing on such application.

Section 20-329 of the Connecticut General Statutes provides, in pertinent part:

The provisions of this chapter concerning the licensure of real estate brokers and real estate salespersons shall not apply to: (1) Any person who as owner or lessor performs any of the acts enumerated in Section 20-311, with reference to property owned, leased or sought to be acquired or leased by the person, or to the person's regular employees who are employed as on-site residential superintendents or custodians, with respect to the property so owned or leased or sought to be acquired or leased when such acts are performed in the regular course of, or incident to, the management of such property and the investment therein . .

Section 20-328-8a of the Regulations of Connecticut State Agencies provides:

(e) No licensee shall offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the licensee's commission or compensation arising or accruing from any real estate transaction to any person who is engaging in the real estate business and who was not licensed as a real estate broker or real estate salesperson at the time the real estate broker or real estate salesperson performed the acts or rendered the services for which the licensee offers, promises, allows, gives, pays or rebates such commission or compensation.

Toll Brothers' Proposed Program is Permitted by the Statutes and the Regulations.

A review of Toll Brothers' proposed program and the relevant statutes and regulations reveals that the program is permitted by both the statutes and regulations. Our inquiry begins with Section 20-311, which defines what it means to be "engaging in the real estate business." Applying that definition to the facts as set forth within Toll Brothers' proposed program, it is apparent that a homeowner recommending that someone visit a Toll Brothers property is not engaged in the real estate business. The

EXHIBIT 8



CHK# _____ LIC# _____

ACCT# _____

AMOUNT _____

CONNECTICUT ASSOCIATION OF

REALTORS® 2012 AUG -9 A 11: 52
INC.

PAY TO WEBSTER BANK
WTB CT 011170101
TREAS CT
00001

August 8, 2012

Real Estate Commission
Department of Consumer Protection
165 Capitol Avenue
Hartford, CT 06106

RE: Declaratory Ruling Petitioner Toll Brothers, Inc.

Dear Commissioners:

The Connecticut Association of REALTORS®, Inc. (the "Association") wishes to state its opposition to the issuance of a Declaratory Ruling in response to the petition of Toll Brothers, Inc. Further, if the Commission deems it advisable to issue a Declaratory Ruling in response to Petitioner's request, the Association requests that the Commission issue a Declaratory Ruling that continues to apply Connecticut General Statute ("CGS") Sections 20-311 and 20-325 to payments made to unlicensed third parties who are not the purchasers of the property in the same manner as these statutes have been applied throughout their history and refuse to sanction that Petitioner's marketing scheme.

The Commission Should Decline to Issue a Declaratory Ruling

The definition of "engaging in the real estate business" set forth in CGS Section 20-311 has existed virtually unchanged since 1953. During that time, there have been numerous opportunities for the Commission and the courts to interpret the statute and apply the definition to a host of different situations, including situations where unlicensed third parties have sought compensation. Most recently, the Connecticut Supreme Court in *Dow & Condon v. Brookfield Development Corp.*, 266 Conn. 572 (Conn. 2003) applied the statutory definition to a situation involving an out-of-state licensee who negotiated a lease between two out-of-state parties in holding that an out-of-state licensee was engaging in the real estate business in Connecticut and that it would be contrary to the public policy of this State to permit the out-of-state licensee to be compensated for having engaged in the real estate business without a license. Given the statutes' long history and the long history of uniform interpretation, the Commission should decline the invitation to amend the statute by regulatory fiat. There is no need to issue a Declaratory Ruling as to the application of the statutes to the Petitioner's proposed marketing plan when the application is very clear. A third party who is not a principal in the transaction but who is receiving compensation means the third party is engaging in the real estate business and must have a real estate license.

111 Founders Plaza, Suite 1101, East Hartford, CT 06108-3212
Tel: (860) 290-6601 | Toll Free: (800) 335-4862 | Fax: (860) 290-6615
www.ctrealtor.com



The Voice for Real Estate™ in Connecticut

The Commission Should Issue a Declaratory Ruling Upholding the Plain Meaning of CGS Sections 20-311 and 20-325.

Petitioner seeks a Declaratory Ruling that its proposed "marketing plan" does not run afoul of CGS Sections 20-311 and 20-325. The marketing plan provides for payments of "up to \$3,000" to previous customers ("referring party") in return for the referral of potential home buyers to Petitioner's "sales representatives".

As Petitioner points out, CGS Section 20-311 provides that "engaging in the real estate business means acting for another and for a fee, commission, and/or other valuable consideration in the listing for sale, selling, exchanging, buying or renting or offering or attempting to negotiate a sale, exchange, purchase or rental of an estate or interest in real estate".

CGS Section 20-325 makes it a crime punishable by fine and imprisonment to engage in the real estate business without a license. Therefore, if the referring party under Petitioner's proposed marketing plan is deemed to be engaging in the real estate business, the referring party is subject to the penalties set forth in Section 20-325.

It is obvious that the referring party under the Petitioner's proposed marketing plan would be engaging in the real estate business within the definition of Section 20-311 as that definition has been serially applied by the Commission and the Connecticut courts. Section 20-311 contains several elements. First, one must be "acting for another". Under Petitioner's proposed marketing plan, the referring party is certainly not a principal in the transaction and is therefore either acting for the Petitioner or for the potential buyer who is referred. Petitioner's statement that the referring party's referral of a potential home buyer to Petitioner's sales representatives is "not an act on behalf of Toll Brothers" is patently ridiculous. Petitioner is not handing out \$3,000 checks to referring parties as an act of Petitioner's generosity. Petitioner is doing nothing more than attempting to transform previous customers into its compensated sales staff for purposes of selling its real estate.

The second element under Section 20-311 is a "commission or other valuable consideration". According to the Petitioner's proposal, the referring party will receive a payment of "up to \$3000". There is no question that this is a "fee, commission or other valuable consideration".

The third element is a "listing for sale, selling, exchanging, buying or renting or offering or attempting to negotiate a sale, exchange, purchase, or rental of an estate or interest in real estate". Again, Petitioner admits that this referral arrangement is a "marketing plan" as part of its real estate sales effort. Since Petitioner's proposed plan presents all of the elements of "engaging in the real estate business", the inevitable conclusion must be that Petitioner's referring parties making referrals of customers and receiving payments from the Petitioner would be "engaging in the real estate business" according to the statute and would be subject to imprisonment for violating Section 20-325 if they did so without having the requisite license.

Petitioner argues that its referring parties do not "perform any of the duties traditionally performed by a licensed broker". This argument must fail since the statutory definition of "engaging in the real estate business" says nothing about "duties traditionally performed." The argument also supports the Association's position. Among the duties "traditionally performed by a licensed real estate broker" are the introduction of potential buyers to properties and the referral of potential customers to other licensees - exactly the point of Petitioner's marketing program. So, Petitioner is placing its referring parties in the position of performing functions traditionally performed by licensed real estate brokers.

The Petitioner quotes a licensing exemption contained in CGS Section 20-329 and Section 20-328-8a of the CT Real Estate Regulations apparently for the proposition that it is exempt from licensing and, therefore, may pay anyone it wishes for referrals and other activities as part of its "marketing plan". Neither of these provisions is of assistance to the petitioner. Section 20-329(1) is one of the most misunderstood licensing exemptions. Intended only to exempt the *Honeymooners*-era building superintendent from the licensing law, there have been various attempts over the years to stretch the exemption to encompass other situations. Although the Petitioner quotes but makes no argument under the statute, the exemption would not authorize the Petitioner's proposed plan anyway, as the exemption only applies to a "person's regular employees" who are "employed as on-site residential superintendents' custodians". Obviously, the Petitioner's former customers are not the Petitioner's "regular employees" and are not "employed as



The Voice for Real EstateSM in Connecticut

111 Founders Plaza, Suite 1101, East Hartford, CT 06108-3212
Tel: (860) 290-6601 | Toll Free: (800) 335-4862 | Fax: (860) 290-6615
www.ctrealtor.com

on-site residential superintendents or custodians". Therefore, the exemption contained in Section 20-329 does not apply to the Petitioner's proposed plan.

Section 20-328-8a of the Regulations specifically applies to licensees. To the extent that Petitioner is not considered a licensee, the Regulation would not apply to it. However, the Petitioner does employ sales representatives and sales agents, some of whom are its employees and may be licensed as real estate brokers and salespeople. While Section 20-328-8a may not apply specifically to Petitioner, the Regulation does apply to its licensed sales representatives. The Association will also point out that although the Regulation may not apply to the Petitioner if it is not considered a real estate broker or salesperson, there are other statutes and regulations, such as the Unfair Trade Practices Act or Section 21a-9(c), which prohibit making "false, misleading or deceptive representations to the public" by practitioners under the Department's jurisdiction (Petitioner holds a new home contractor registration from the Department) that may apply should the Petitioner entice former customers into entering into a transaction that carries criminal penalties for the former customer.

Conclusion

The Commission should decline to issue a Declaratory Ruling. The statute defining "engaging in the real estate business" has been interpreted by the courts on several occasions in the last 60 years, and there is nothing in the Petitioner's proposed plan that is new or different from what others have proposed over the years. If the Commission is inclined to issue a Declaratory Ruling, the ruling should uphold the long-standing application of the statutes rendered over the decades by both the Commission and the courts. This leads invariably to the conclusion that the proposed "marketing plan" is nothing more than the payment of thousands of dollars to unlicensed persons for the referral of consumers to the Petitioner's sales representatives. These referral arrangements have always been part and parcel of the laundry list of activities in which real estate licensees engage, and the Petitioner has not presented any reason why 60 years of precedents should be thrown out the window and potential home buyers less protected in order to accommodate Petitioner's proposed marketing plan. Finally, although the Commission's Regulations may not apply to the Petitioner, there are other statutes and regulations of the Department of Consumer Protection that would apply.

Thank you for your time in receiving these comments.

Very truly yours,


Eugene A. Marconi
General Counsel



The Voice for Real Estate in Connecticut

111 Founders Plaza, Suite 1101, East Hartford, CT 06108-3212
Tel: (860) 290-6601 | Toll Free: (800) 335-4862 | Fax: (860) 290-6615
www.ctrealtor.com

A Connecticut Record You Can Track



Toll Brothers
America's Luxury Home Builder®

BUILDING COMMUNITIES IN CONNECTICUT SINCE 1992

39 Communities Including 33 Sold Out, 6 Active • Over 1,700 Homes Delivered

Winner of Numerous Awards from The Home Builders Association of Connecticut:

- 2011 Community of the Year and Best Townhouse Community for The Summit at Bethel
- 2011 Best Luxury Townhouse for the Bethel model at The Summit at Bethel
- 2011 Best Single Family Home \$500,000-\$600,000 for the Ellsworth Williamsburg at Wallingford Estates
- 2011 Best Existing Home Selling Solutions Program for Toll Brothers Center Stage, Staging Program
- 2010 Outstanding Attached Home for the Bristol Model Home and Best Attached Home Over 2,000 Square Feet for the Avon Model Home
- 2010 Best Community Clubhouse at Regency at Prospect at Bethel Meadows
- 2009 Best Single-Family Attached Home for The Eastport Elite and Pentwater Models from

Winner of an Award from The National Home Builders Association:

- 2009 Best of 50+ Housing Award for the Walnut Model from The National Home Builders Association
- 2008 Best Attached Community 55+ for Regency at Prospect

TOLL IS FINANCIALLY STRONG

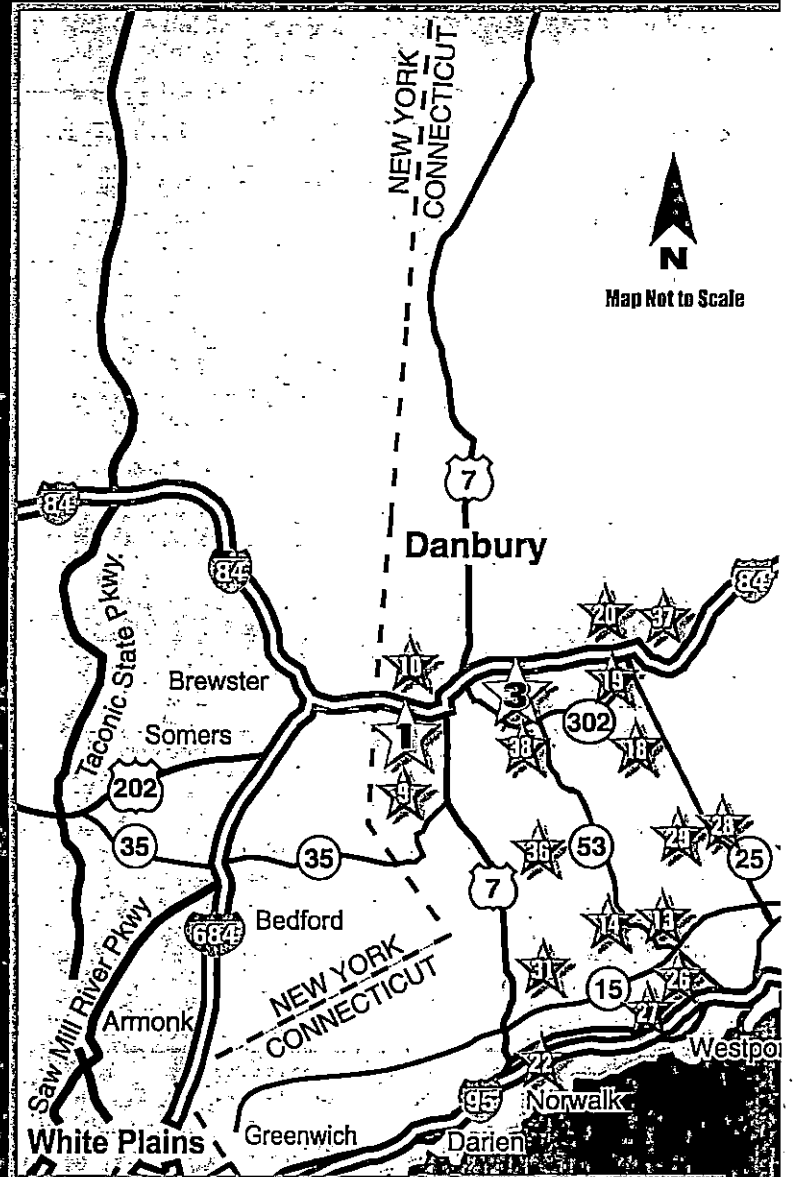
- In Business for Nearly 45 Years, Toll Brothers Has Sold Over 87,500 Homes Nationwide.
- Over \$1.2 Billion in Cash and Marketable Treasury Securities and \$777.5 million Available for Borrowing in Our Bank Facility.
- Ranked #1 in 2011 and 2010 in Financial Soundness, Long-Term Investment, and Quality of Products/Services in *FORTUNE* magazine's* annual World's Most Admired Companies survey in the home building category.
- Toll Brothers is Honored to Have Won the Three Most Coveted Awards in the Home Building Industry: *America's Best Builder*, *Home Builder of the Year*, and the *National Housing Quality Award*

TOWNHOMES AND CONDOMINIUMS IN DANBURY



Rivington by Tall Brothers - 203-744-4600
 5 Reserve Road - Danbury, CT 06810
 From the Low \$300,000s to Upper \$400,000s
 1,700 to 2,600 sq. ft.

Luxury New Ho



ACTIVE ADULT TOWNHOMES IN PROSPECT



Regency at Prospect - 203-758-7494
 120 Seacoast Road - Prospect, CT 06712
 From the Upper \$200,000s - 1,488 to 2,100 sq. ft.

TOWNHOMES WITH FIRST FLOOR
 MASTER SUITES IN BETHEL



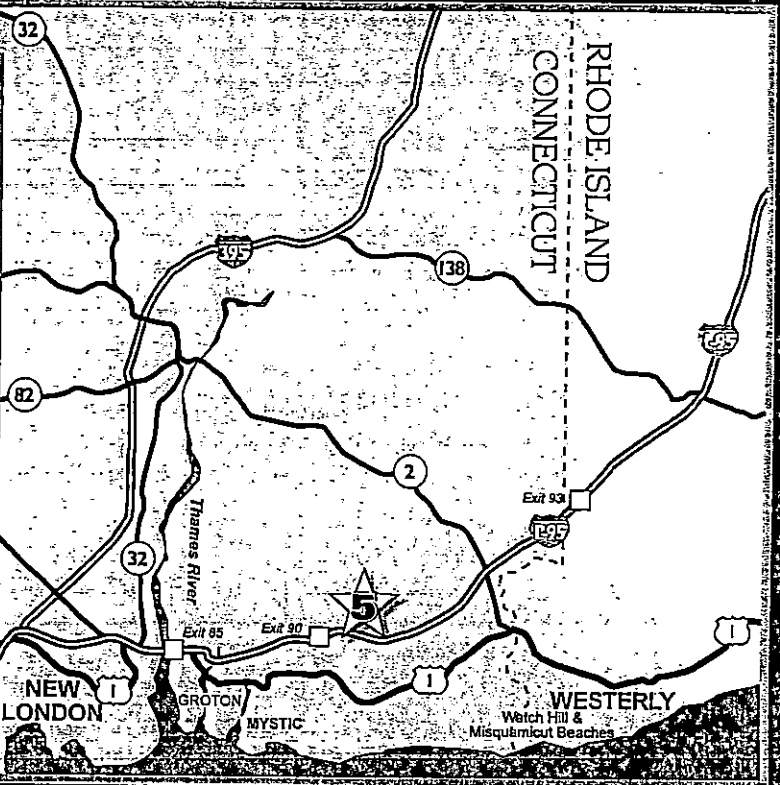
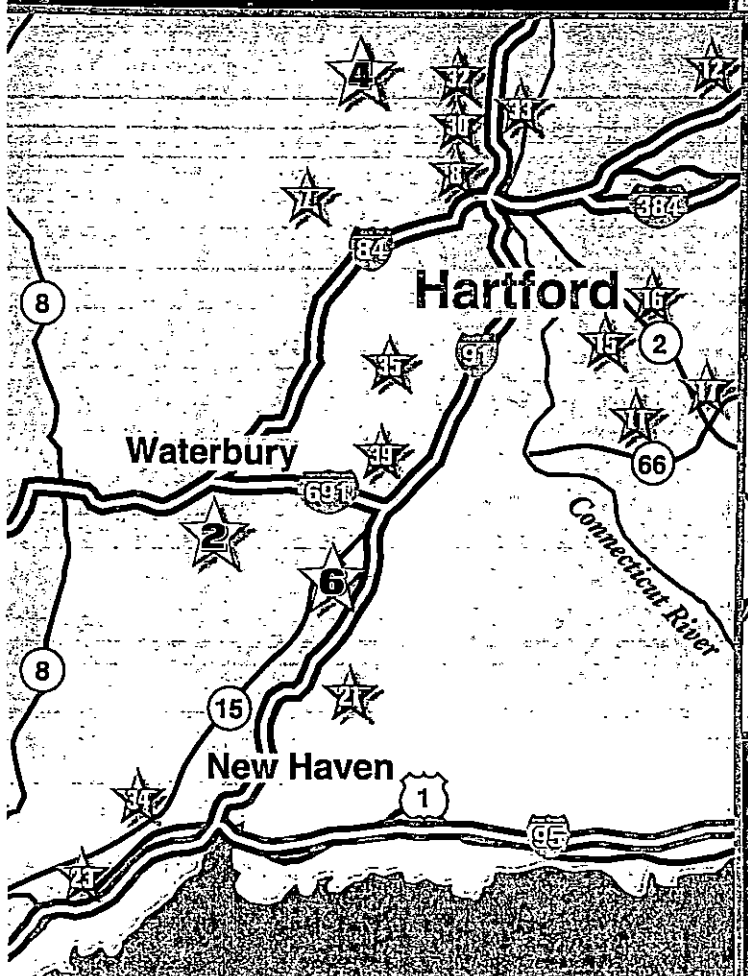
The Summit at Bethel - 203-792-3500
 50 Apollo Road - Bethel, CT 06801
 From the Low \$400,000s - 1,798 to 2,800 sq. ft.

SINGLE FAMILY HOMES IN AVON



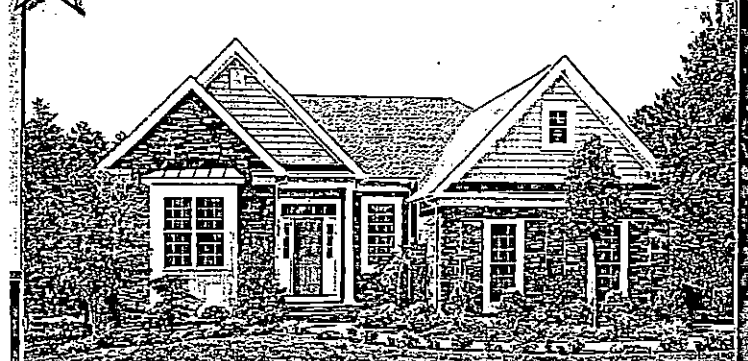
Weatherstone of Avon - 860-673-7005
 290 Northampton Drive - Avon, CT 06001
 From the mid \$700,000s - 3,500 to 5,200 sq. ft.

The Communities in Connecticut



Long Island Sound

5 SINGLE-FAMILY HOMES IN STAMMINGTON WITH FIRST FLOOR MASTER SUITES



Old Mystic Estates at Stamford - 860-522-4900
 1404 Pecan Trail - Stamford, CT 06378
 From the Upper \$400,000s - 2,400 to 3,700 sq. ft.

6 SINGLE-FAMILY HOMES IN WALLINGFORD



Estates at Wallingford - 203-269-7800
 803 North Farms Road - Wallingford, CT 06492
 From the Mid \$400,000s - 2,300 to 3,000 sq. ft.

SALES CENTERS AND MODEL HOMES ARE OPEN DAILY

VISIT
TOLLBROTHERS.COM/CONNECTICUT
 FOR MORE INFORMATION AND DIRECTIONS

SOLD OUT COMMUNITIES

17	HUNTERS RUN AVON, CT 104 TOWNHOMES	20	NEWTOWN HUNT NEWTOWN, CT 21 SINGLE-FAMILY HOMES	33	WALDON WOODS WINDSOR, CT 40 SINGLE-FAMILY HOMES
8	REGENCY AT BLOOMFIELD BLOOMFIELD, CT 70 ACTIVE-ADULT SINGLE-FAMILY HOMES	21	REGENCY MEADOWS AT NORTH HAVEN NORTH HAVEN, CT 5 ACTIVE-ADULT TOWNHOMES	34	WOODBRIDGE CHASE WOODBRIDGE, CT 21 SINGLE-FAMILY HOMES
9	RIDGEBURY HILLS DANBURY, CT 90 SINGLE-FAMILY HOMES	22	SAUGATUCK LANDING NORWALK, CT 22 SINGLE-FAMILY HOMES	35	NEWINGTON RIDGE NEWINGTON, CT 71 TOWNHOMES
10	WESTVILLE ESTATES DANBURY, CT 78 SINGLE-FAMILY HOMES	23	ORANGE ESTATES ORANGE, CT 25 SINGLE-FAMILY HOMES	36	REGENCY AT RIDGEBFIELD RIDGEBFIELD, CT 71 ACTIVE-ADULT CARRIAGE HOMES
11	SEVEN HILLS ESTATES EAST HAMPTON, CT 82 SINGLE-FAMILY HOMES	24	HUNTINGTON ESTATES SHELTON, CT 50 SINGLE-FAMILY HOMES	37	REGENCY AT NEWTOWN NEWTOWN, CT 54 ACTIVE-ADULT CARRIAGE HOMES
12	ELDRINGTON ESTATES ELDRINGTON, CT 26 SINGLE-FAMILY HOMES	25	VISTAS AT WHITE HILLS SHELTON, CT 30 SINGLE-FAMILY HOMES	38	BETHEL MEADOWS BETHEL, CT 62 TOWNHOMES
13	FAIRFIELD CHASE FAIRFIELD, CT 28 SINGLE-FAMILY HOMES	26	SOUTHPORT CHASE SOUTHPORT, CT 26 SINGLE-FAMILY HOMES	39	REGENCY AT BERLIN BERLIN, CT 94 ACTIVE-ADULT TOWNHOMES
14	GREENFIELD HUNT FAIRFIELD, CT 100 SINGLE-FAMILY HOMES	27	SOUTHPORT LANDING SOUTHPORT, CT 15 SINGLE-FAMILY HOMES		
15	GLASTONBURY HILLS GLASTONBURY, CT 97 SINGLE-FAMILY HOMES	28	REGENCY MEADOWS AT TRUMBULL TRUMBULL, CT 19 ACTIVE-ADULT TOWNHOMES		
16	HIGHMEADOW ESTATES AT GLASTONBURY GLASTONBURY, CT 23 SINGLE-FAMILY HOMES	29	TRUMBULL HUNT TRUMBULL, CT 10 SINGLE-FAMILY HOMES		
17	MARLBOROUGH CHASE MARLBOROUGH, CT 25 SINGLE-FAMILY HOMES	30	VILLAS AT THE RESERVOIR WEST HARTFORD, CT 71 ACTIVE-ADULT SINGLE-FAMILY HOMES		
18	GREENEVA FARMS NEWTOWN, CT 25 SINGLE-FAMILY HOMES	31	WILTON HUNT WILTON, CT 20 SINGLE-FAMILY HOMES		
19	NEWTOWN CHASE NEWTOWN, CT 30 SINGLE-FAMILY HOMES	32	WALDEN RIDGE WINDSOR, CT 50 SINGLE-FAMILY HOMES		

TollBrothers.com
America's Luxury Home Builder®

**From the March 21, 2011 and March 22, 2010 issues of FORTUNE magazine. Square footage is approximate. Photos are images only and should not be relied upon to confirm applicable features.
Age qualified communities are for adults 55+. *First-floor master suites on select home designs. This is not an offering where prohibited by law.
CT Reg. # 3415, 323, 336, 12901. GRPC-CT-19960-28366 12/11

TOLL
BROTHERS
NYSE



Sales Paperwork & Procedures Guide

Qualification Questionnaire

Program DTI Ratio

Obtain the Program DTI Ratio from the Mortgage Program Guide and write it in the space provided. If the Program DTI Ratio is 45%, it means that the lender has set 45 percent as the maximum amount of the buyer's gross income that he or she may spend on all debts, including the housing payment. In other words, all monthly debts plus the total housing payment should not exceed 45% of the buyer's gross monthly income. For qualifying purposes the Buyer DTI Ratio must be less than or equal to the Program DTI Ratio.

Buyer DTI Ratio	41%	MONTHLY PAYMENT	\$	153 / 513
Loan to Value	80%	Qualifying Income*	\$	666
		*Program DTI Ratio		45%

QQ Rule: Back Ratio

- Buyer's DTI Ratio must be less than or equal to the Program DTI Ratio.

Example

The illustration above shows the Buyer's DTI Ratio at 41% and the Program DTI Ratio at 45% so this buyer meets the ratio requirements for the loan program.

Interest Rate

For qualification purposes you will use the TBI Rate Indications Sheet emailed to sales offices each week. These rates are representative rates for the current week and as such are intended for qualification purposes only not for rate quotes. Obtain the rate for the specific loan that you are using for the qualification purposes and write it in the first space on the interest rate line. On the second line write .75 which is the cushion that is added to the rate used to account for rate changes. Add the two rates together and note it in the margin. The interest rate plus the cushion will be the rate used to calculate the principal and interest payment.

Interest Rate (cont'd)

QQ Rule

- Add .75 percent cushion to the interest rate and use the combined total to calculate the principal and interest payment.

**Interest Rate	7%	+	.75	% Cushion
-----------------	----	---	-----	-----------

Broker Co op

Use this space to list the specific broker/agent that is involved in the sale if any, otherwise write NA. Include the broker/agent's name and office.

Broker Co-op	Sue Smith - Century 21
Homeowner Referral Name	NA
Homeowner Referral Amount	NA

Referral

Write the name of the homeowner who referred the buyer to your community on the line provided and the dollar amount of the referral. The referral may be from an existing Toll homeowner or a salesperson from another community. In both cases a referral fee may be paid. Toll's Homeowner Referral Program is designed to recognize and to encourage referral business. If the referral is from

Sales Paperwork & Procedures Guide

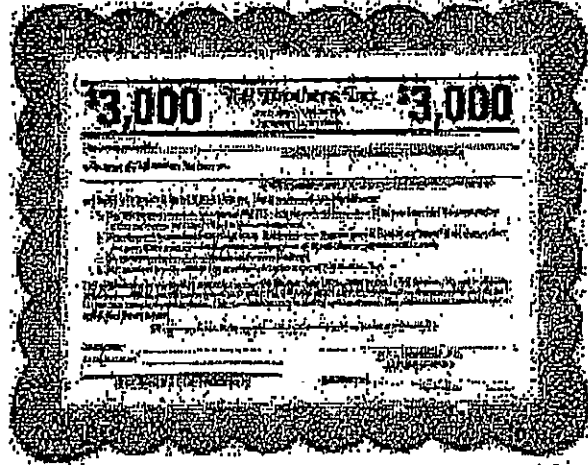
Qualification Questionnaire

Referral (cont'd)

a current Toll homeowner he or she may be entitled to a referral payment which is paid at settlement. Check with your Management Team to determine if a referral payment can be paid in your state. The dollar amount of the incentive varies by division and the details of the program may vary as well. Check with your division management for the referral amount and details of the program in your area.

Homeowner Referrals (if applicable)

In instances where a referral is made by a Toll Homeowner and the buyer is also represented by a Realtor, Toll will pay both the Realtor and the referring homeowner. If the referring person is a salesperson from another community he or she will be entitled to a referral commission if they are a commissioned salesperson. Refer to the Sales Employee Handbook for more details on the sales referral requirements and procedures.



The Homeowner Certificate can be ordered from the Toll store. The amount of the certificate varies among communities. Check with your division management for the amount used in your area.

Finalizing the QQ

After completing the seller's portion of the QQ, send it (fax /email per Division procedures) it to TBI Mortgage. The TBI Mortgage Loan Specialist will contact the buyer to initiate the mortgage application process. Keep the original QQ with the other Reservation Deposit documents in the lot file. Because the QQ contains significant personal information, ensure that it is kept in a secure location.

Residential Agent Full with photos

3 Country View Road #138, Danbury, Connecticut 06810

Status: Active

List/Sell :

MLS#: 99006109

TaxID: 999999999

County:

Neighborhood: Aunt Hack

Complex: Rivington

Model: Andover

Bank Own

Condo/Co-Op/Condominium

Planned Unit Development: No

Adult Com



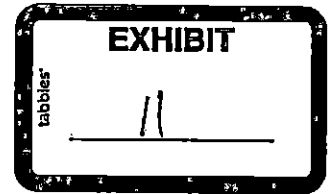
Style: **Townhouse**
 Rooms: **6** Bedrooms: **2** Bathrooms: **2 Full 1 Partial** Allow Pe
 Unit Level: End Unit: **Yes** Lvl's in Unit: **1** Fireplac
 Heated above grade living area is estimated at **2,251**.
 Public records lists living area .
 Garage/Park: **2 Cars/Attached**
 New Const: **Proposed** Year Built: **2013 (Owner)**
 Ext Siding: **Vinyl** Color:
 Basement: **Full, Unfinished** Roof:
 Construction: **Concrete**
 Foundation:
 Acres:
 Zoning: **PUD-80**
 Sewer: **Sewer** Water: **City Water**

Walkscore: 38 Car-Dependent - A few amenities within walking distance.

Recent: 09/29/2012 : NEW

Room Information

Room	Level	Apx Size	Features
Bedroom	Upper	17.00 x 11.00	Vaulted Ceiling(s)
Dining Room	Main	12.00 x 11.00	Hardwood Floor
Family Room	Main	16.00 x 14.00	Fireplace
Kitchen	Main	14.00 x 12.00	9ft+ Ceilings
Living Room	Main	12.00 x 12.00	9ft+ Ceilings
Master Bdrm	Main	15.00 x 14.00	Full Bath



Additional Rms: **Loft**
 Laundry Loc: **First floor**

General Information

Interior Feat: **9'+ Ceilings, Security System**
 Appliances Inc: **Dishwasher, Disposal, Dryer, Microwave, Range, Washer**
 Heating: **Gas, Hot Air, Zoned** Cooling: **Cent. Air, Zoned**
 Assoc Amenities: **Playground, Pool**
 Exclusions:

Home Warrant

Financial Information

Property Tax: Assessment: Mil rate: **22.45** Tax Year:
 Last reassess: Phase-In: District Tax:
 Owners Assoc: **Yes** Assoc Fee: **\$255**

School Information

Elem: **Per Board of Ed** Interm: Middle: **Per Board of Ed** High:

Public Remarks

New Construction 2 Bedroom Home with master bedroom on the first floor in Prestigious Rivington!!!

Marketing History

List Price: **\$484,995** List Date: **09/29/12** Off Market Date:
 Prev List Price: Entered in MLS **09/29/12** Proposed Close:
 Original Price: **\$484,995** Last update: **09/29/12** Closed Date:
 Sale Price: Expire Date: **06/30/13** Sale Finance:
 Eligible Finance: **FHA, VA**

Agent Remarks

Broker Must Register Client On First Visit. Other Home Types Available For Sale. Please See Rivington Sales Office. Fha & Va floor Master homeplan in high demand RIVINGTON!!!



Showing & Contact Information

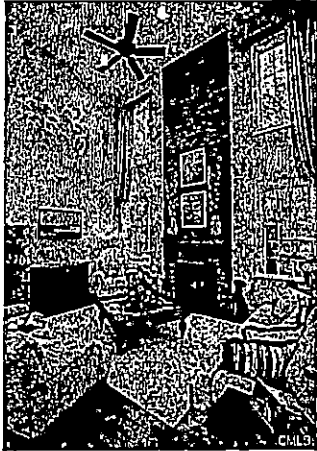
Show Inst: **Sales office open daily 11-6, 203-744-4600**
 Lockbox: **None/ None** Poss/Occupy: **10/1/13**
 Directions: **I-84 To Exit 1 To Saw Mill Rd To Reserve Rd**
 Owner Name: **Toil Brothers** Phone:

Listing & Compensation Information

List Contract:	Exclusive Right(Sale/Lease)	Service Type:	
Sign:	No	Authorized for Internet Displays:	Yes with Address Yes
B. A. Comp:	2.50 % of sale price	Comp Notes:	
Renewal Comp:			Second MLS #

Listing Broker/Agent Information

List Office:	Toll Brothers Real Estate Inc	Phone:	(203) 364-9300	Fax:	(203) 364-9051
ID:	3983	Website:	tollbrothersinc.com	Email:	tollbrothersct@tr
List Agent:	Angela Perdakis 	Phone:	(203) 744-4600	Fax:	
ID:	15958	Website:		Email:	aperdikis@tollbro
Co List Agt:	Sandra Banks 	Phone:	(203) 744-4600	Fax:	
ID:	15082	Website:		Email:	sbanks@tollbro



Listing information comes from various sources and may not always be accurate. No representation or warranty is made information. You should verify any information that is important to your buying decision. Generated on 10/02/2

[Report Listing Infraction](#)

62 Warrington Round #18, Danbury, Connecticut 06810

Status: Active

List/Sell :

MLS#: 99005867

TaxID: 999999999

County:

Neighborhood: Mill Plain

Complex: Rivington

Model: Averill

Bank Own

Condo/Co-Op/Condominium

Planned Unit Development: No

Adult Com



Style: **Townhouse** Allow Pe
 Rooms: **5** Bedrooms: **2** Bathrooms: **2 Full 1 Partial** Fireplac
 Unit Level: End Unit: **Yes** Lvl's in Unit: **Total Ur**
 Heated above grade living area is estimated at **1,697**.
 Public records lists living area .
 Garage/Park: **2 Cars/Attached**
 New Const: **Under Construction** Year Built: **2012 (Owner)**
 Ext Siding: **Vinyl** Color:
 Basement: **Unfinished**
 Construction: **Concrete** Roof:
 Foundation:
 Acres:
 Zoning: **PUD-80**
 Sewer: **Sewer** Water: **City Water**
 Walkscore: **20** Car-Dependent - Almost all errands require a car.

Recent: 09/27/2012 : NEW

Room Information

Room	Level	Apx Size	Features
Bedroom	Upper		Full Bath, Wall/Wall Carpet
Den	Main		Balcony/Deck, Hardwood Floor, Sliders
Dining Room	Main		Wall/Wall Carpet
Kitchen	Main		Balcony/Deck, Hardwood Floor, Pantry, Sliders
Living Room	Main	19.00 x 13.00	Wall/Wall Carpet
Master Bdrm	Upper		Full Bath, Walk-in Closet, Wall/Wall Carpet
Laundry Loc:	Bedroom Level		

General Information

Interior Feat: **9'+ Ceilings**
 Appliances Inc: **Dishwasher, Disposal, Dryer, Microwave, Range, Washer**
 Heating: **Gas, Hot Air, Zoned** Cooling: **Cent. Air, Zoned**
 Exterior Feat: **Patio, Porch**
 Assoc Amenities: **Playground, Pool**
 Exclusions:

Home Warrant

Financial Information

Property Tax: **Assessment:** Mil rate: **22.45** Tax Year:
 Last reassess: **Phase-In:** District Tax:
 Owners Assoc: **Yes** Assoc Fee: **\$286**

School Information

Elem: **Per Board of Ed** Interm: Middle: **Per Board of Ed** High:

Public Remarks

New Construction 2 Bedroom Home In Prestigious Rivington

Marketing History

List Price: **\$360,795** List Date: **09/27/12** Off Market Date: ADOM:
 Prev List Price: Entered in MLS **09/27/12** Proposed Close: CDOM:
 Original Price: **\$360,795** Last update: **09/27/12** Closed Date:
 Sale Price: Expire Date: **04/01/13** Sale Finance:

Agent Remarks

Broker Must Register Client On First Visit. Furnished Models Available To Tour. Other Home Types. Available For Sale. Please FHA & Va Loan Approved. Averill 2 bedroom!

Showing & Contact Information



Show Inst: **Sales office open daily, 11-6, 203-744-4600**
 Lockbox: **None/ None** Poss/Occupy: **3/30/13**
 Directions: **I-84 To Exit 1 To Saw Mill Rd To Reserve Rd**
 Owner Name: **Toll Brothers** Phone:

Listing & Compensation Information

List Contract: **Exclusive Right(Sale/Lease)** Service Type:
 Sign: **No** Authorized for Internet Displays **Yes** with Address **Yes** Second MLS #
 B. A. Comp: **2.50 % of sale price** Comp Notes:

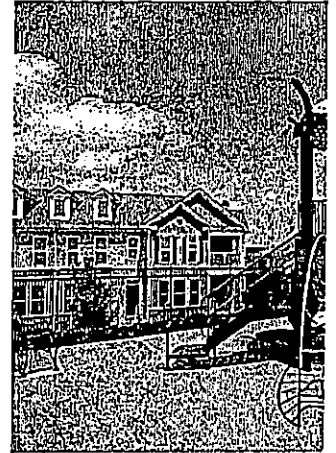
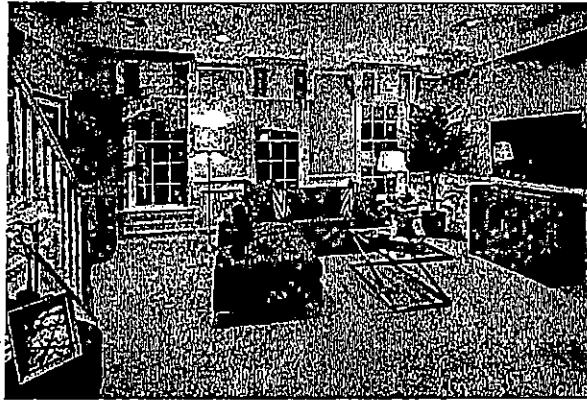
Renewal Comp:

Listing Broker/Agent Information

List Office: **Toll Brothers Real Estate Inc**
 ID: **3983** Website: tollbrothersinc.com
 List Agent: **Angela Perdikis** 
 ID: **15958** Website:
 Co List Agt: **Sandra Banks** 
 ID: **15082** Website:

Phone: **(203) 364-9300**
 Phone: **(203) 744-4600**
 Phone: **(203) 744-4600**

Fax: **(203) 364-9051**
 Email: tollbrothersct@tollbrothers.com
 Fax:
 Email: aperdikis@tollbrothers.com
 Fax:
 Email: sbanks@tollbrothers.com



Listing information comes from various sources and may not always be accurate. No representation or warranty is made information. You should verify any information that is important to your buying decision. Generated on 10/02/2

[Report Listing Infraction](#)

204 Center Meadow Lane #204, Danbury, Connecticut 06810

Status: Active

List/Sell :

MLS#: 98546379

TaxID: 999999999

County:

Neighborhood: Aunt Hack

Complex: Rivington

Model: Canaan

Bank Own

Condo/Co-Op/Condominium

Planned Unit Development: No

Adult Com



Style: **Garden/Ranch** Allow Pe
 Rooms: **3** Bedrooms: **2** Bathrooms: **2 Full 0 Partial** Fireplac
 Unit Level: End Unit: **Yes** Lvl's in Unit: Total Ur
 Heated above grade living area is estimated at **1,300**.
 Public records lists living area above grade at , below grade at , gross sqft at .
 Garage/Park: **0 Cars/Detached**
 New Const: **Proposed** Year Built: **2012 (Owner)**
 Ext Siding: **Vinyl** Color:
 Basement: **None** Roof:
 Construction: **Concrete**
 Foundation:
 Acres: **0.00**
 Zoning: **PUD-80**
 Sewer: **Sewer** Water: **City Water**

Walkscore: 40 Car-Dependent - A few amenities within walking distance.

Recent: 09/27/2012 : RAIS : \$287,995->\$289,995

Room Information

Room	Level	Apx Size	Features
Bedroom	Main	12'X11	Full Bath, Wall/Wall Carpet
Kitchen	Main	14'1X8'5	Pantry, Hardwood Floor
Living Room	Main	21'4X16'5	Wall/Wall Carpet
Master Bdrm	Main	17'X13'	Full Bath, Wall/Wall Carpet, Walk-in Closet

General Information

Appliances Inc: **Range, Microwave, Dishwasher, Refrigerator, Washer, Dryer**
 Heating: **Hot Air, Gas** Cooling: **Cent. Air**
 Exclusions: Home Warrant

Financial Information

Property Tax: Assessment: Mil rate: **22.45** Tax Year:
 Last reassess: Phase-in: District Tax:
 Owners Assoc: **Yes** Assoc Fee: **\$199**

School Information

Elem: **Per Board of Ed** Interm: Middle: **Per Board of Ed** High:

Public Remarks

New Single Level 2 Bedroom End Home In Prestigious Rivington

Marketing History

List Price: **\$289,995** List Date: **07/16/12** Off Market Date: ADOM:
 Prev List Price: **\$287,995** Entered in MLS: **07/16/12** Proposed Close: CDOM:
 Original Price: **\$287,995** Last update: **09/27/12** Closed Date:
 Sale Price: Expire Date: **07/31/13** Sale Finance:

Agent Remarks

Broker Must Register Client On First Visit. Other Home Types available For Sale. Please See Rivington Sales Office. Fha & Va L Home

Showing & Contact Information

Show Inst: **Sales Office Open Daily 11-6, 203-744-4600**
 Lockbox: **None** Poss/Occupy: **6/1/13**
 Directions: **I-84 To Exit 1 To Saw Mill Rd To Reserve Rd**
 Owner Name: **Toll Brothers** Phone:

Listing & Compensation Information

List Contract: **Exclusive Right(Sale/Lease)** Service Type:
 Docs Avail: **Property Disclosure**
 Sign: **No** Authorized for Internet Displays **Yes** with Address **Yes** Second MLS #
 B. A. Comp: **2.50 % of sale price** Comp Notes:
 Renewal Comp:

Listing Broker/Agent Information

List Office: **Toll Brothers Real Estate Inc** Phone: **(203) 364-9300** Fax: **(203) 364-9051**
 ID: **3983** Website: **tollbrothersinc.com** Email: **tollbrothersct@t**



Address 55 WHITE OAK DR
Status ACT
Zip Code 06712
TwN/Mkt Area Prospect/Prospect (113)
Year Blt 2008 /TOWN
Complex Regency of Prospect
Model Walnut
Unit # 55
L/Price \$329,000
ML# W1068275
County New Haven
New Const. N
L/Off RAVE24
Orig LP \$329,000
E/ROW

Elem PER BD OF ED **Middle** **Jr High** **Sr High** PER BD OF ED

PRIME LOCATION - close to clubhouse. Private Sunny Deck looks off into the Woods. The Flowing Floor-plan offers and open Family room Kitchen. Spacious Dining room. Large Master Bedroom with Tray ceiling and huge Walk-in-Closet. 2 car garage. Must See.

LISTING OFFICE INFORMATION

Show CLO
LA/ID FRANK S. CASS/ CASSFR **Ofc/Ph** 203-264-8180 **Bybkr** 2.50 % **Dual/Var** No
Other/Ph 203-264-8180 **Seller Concess** **Type** ER **Short Sale** N
E-Mail homesbuyfrank1@msn.com **Net** Yes **Ofc/Fax** 203-264-6425
List Date 08/12/12 **Owner** of record **Exp Date**
Photo Serv **William Raveis Real Estate**
Ofc Rmks
Agt Rmks Full Walk-out Basement, This unit is in Mint Condition.

APPROXIMATE ROOM SIZES AND DESCRIPTIONS

Living 18X12/CATH	MBR 21X13/ FBATH, FIRST, VALTD, WALKIN	BATHS--FULL/HALF
Dining Y/ 13X13/ FORM	2Bed 12X13/ FIRST	Lower
Kitchen 12X19/ BBAR, EATIN	3Bed	1st Flr 2
Fam/Den N/	Other	2nd Flr
OthRms	Laundry FIRST	3rd Flr
		Elevator N

GENERAL INFORMATION & ADDITIONAL FEATURES

Appx Units 350	Convert N	Apx SqFt 1503/ TOWN	#Levels 1.0
Style/Type RANCH, 1STFL		Floors CARP, TILE, WOOD	#Rooms 5.0
Basement FWALK		Bsmt Fin UFIN	#Bedrms 2
Attic HATCH		Siding VINYL	#Baths 2.0
Garage 2/ ATTCH		Parking 2/ ASSGN	Hndcp
Appl Incl HOOD, DISHW, OVRNG, WASHR, I		Mech AUTODR	Pets
Int Feat FOYER, OPENFL		Exterior DECK	Cable Y
Amenities CLUB, GARDN, GSTPK, TENIS, EXC		WtrFrt	Pool Y
Misc		Restrict BOATS, OTHER	

UTILITIES / ENERGY FEATURES

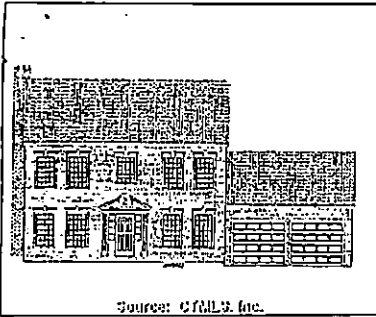
Heating WAIR	Cooling CAIR	Heat/Yr
Fuel GAS	Hot Wtr GAS, OWN	Oil Tank NA
Water PUBCT	Sewer PUBCT	Energy

OTHER INFORMATION

Assmt \$216,200	DevTyp CONDO	Taxes \$5,962	OthrTx
MillRt 27.58	Lse Opt N	TxPhsIn No	
Othr Fin	LL/MO	Mgmt ON	
HOA/MO \$247	HOA Incl SNOW, MGMT, GRNDS, TRASH	Mgmt Co	
Poss NEGOT		Mgmt Ph	
UFFI UNKNW	Lead UNKNW		
Radon UNKNW	Asbestos UNKNW	Vol/Pg 609 / 140	
VTour			
Dir RT 69 to Scott Road right on to White Oak building on left			

COMP INFORMATION

Contr Date	S/Agt ID	Selling Office Code
Close Date	Sales Price	Days On Market



11 PRESTON DR
L/Price \$419,900
O/Price: \$419,900
Style COL
#Rms 7.0 **Bd/Bth** 3/2.0
SqFt 1922 /OWNER
YrBlt 2011 /TO BE / Y
Lot Dim 00X00
EstAcr 0.940

Wallingford/Wallingford (28)
Cnty: NEWHAVEN **Net Y**
Zip 06450 **IDX Y**
Status SHOW **LseOpt** N
Owner
E/Row **#FP** 1
SubDv Rainah Estates
Zoning REO N

Elem: CLB **Middle:** **JrHigh:** **Sr High:** CLB

Rainah Estates "Westford" Beautiful Colonial to be built on .98 acres, offers 3 bedrooms, 2.1 baths, plan offers option to have (31x13 GREAT ROOM) or separate formal living rm & family rm w/ fp, large eat-in kitchen w/ breakfast nook, master bedrm w/ full bath.

Agt Rmks:

Pot. Short Sale: N

Office PRUD34 / Prudential Connecticut Realty **O/Ph** 203-294-9114 **Bybkr** 2.50 %
LA/ID Dawn Hoydilla/ HODIDA **O/Fax** 203-294-9120 **Type** ER/NA **Dual/VarN**
E-Mail dhoydilla@prudentialct.com **Othr/Ph** 203-294-9114 **L/Date** 05/05/11
Team Agt: **E/Date**
Team Agt: **Show** CLA

Living 13X12 ,FORM	MBR 17X12 ,FBATH ,WALKIN	Baths---- Full/Half	Handicap
Dining Y 13X10	2Bed 13X12 ,UPPER	Lower	Cable Y
Kitchen 20X16 ,BAY ,NOOK	3Bed 13X12 ,UPPER	1st Flr /1	Adult 55+ N
Fam/Den Y 14X13, FIRST, FP	4Bed	2nd Flr 2	Seasnl N
Lndry Loc UPPER	In-law	3rd Flr	Gated Comm. N

Levels 2.0	Fndatn	Environmental Substances	
Basement FULL ,UFIN	Exterior VINYL	UFFI ABSEN	
Garage 2 /ATTCH	Int Feat FOYER ,GRANITE	Lead ABSEN	
Floors TILE ,WOOD ,CARP	Ext Feat UGUTIL	Asbestos ABSEN	
Attic STORG	Mechan SMOKE	Radon UNKNW	
Add'IRms	Misc	Lot Desc LWOOD ,NBRHD	
Appl Incl ALWNC	Drvrwy CRUSH	WtrFr	
Deck ,UPPER	Pool N		
	Porch		

Heating WAIR	Cooling CAIR	Energy MZHET, THERM
Fuel GAS	Hot Wtr GAS	
Water PUBCT	Sewer PUBCT	Oil Tank NA
Amps	Lien NEITHER	Ann Cost

Insul Rmks

Assmt \$0	Taxes \$0	Phs In: N	Othr Taxes	OthrFin
MillRt 25.98	PUD N	Poss OV-90	Vol/Pg 0 / 0	Seller Concess

Church Street To Grove Street To Preston!

Comp Information

Contr Date	S/Agt ID	Selling Office Code	DOM
Close Date	Sale Price		

10/02/12 Lois Snow



Address 22 WHITE OAK DR
Status ACT **L/Price** \$328,700 **ADOM** 243
Zip Code 06712 **ML#** W1065531
TwN/Mkt Area Prospect/Prospect (113) **County** New Haven
Year Blt 2008 /TOWN **New Const.** N
Complex Regency of Prospect **L/Off** PAVL20
Model Walnut **Orig LP** \$354,900
Unit # 22 **E/ROW**

Elem n/a **Middle** **Jr High** **Sr High** woodland

LOCATION, LOCATION, LOCATION! 2 buildings from Club house & mailbox. Deck w/private views of woods. One Level living w/Open floor plan of Kitchen, Dining Area & Family Room including Fireplace,cathedral ceiling & sky lite. Formal Dining Rm, 21x13 M.BDRM.

LISTING OFFICE INFORMATION

Show PLEASE CALL Nolla x39 **Bybkr** 2.50 % **Dual/Var** Yes
LA/ID Deborah Ridolfi, CDPE, CRC, GRI/ RIDC **Ofc/Ph** 203-758-4416 **Type** ER **Short Sale**
Other/Ph 203-758-4416 **Seller Concess** **Ofc/Fax** 203-758-4526
E-Mail pavlik2deborah@aol.com **Net** Yes
List Date 02/02/12 **Owner** **Exp Date**
Photo Serv Pavlik Real Estate Agency
Ofc Rmks

Agt Rmks THIS WAS THE FIRST UNIT BUILT IN THIS GREAT COMPLEX W/EXTRA DETAILS. PRIME LOCATION W/LOT VALUE,HARDWOOD FLOORS, SKY LITE, FIREPLACE, LIGHTING, FAN OUTLETS & HEAT LAMP. BRAND NEW GARAGE DOOR & TRACK. HUGE BASEMENT W/WORK AREA. New tax-\$6,006.00 w/27.58mil

APPROXIMATE ROOM SIZES AND DESCRIPTIONS

Living 18X12/SKY, FP, CATH	MBR 21X13/ FBATH, WALKIN, VALTD, FIRST	BATHS--FULL/HALF
Dining Y/ 13X13/ FORM	2Bed 12X13	Lower 2
Kitchen 12X19/ SKY, EATIN, BBAR	3Bed	1st Flr
Fam/Den N/	Other	2nd Flr
OthRms WORK	Laundry FIRST	3rd Flr
		Elevator N

GENERAL INFORMATION & ADDITIONAL FEATURES

Appx Units 350	Convert N	Apx SqFt 1503/ TOWN	#Levels 1.0
Style/Type RANCH, END		Floors WOOD, TILE, CARP	#Rooms 5.0
Basement FHTCH		Bsmt Fin UFIN	#Bedrms 2
Attic HATCH		Siding VINYL	#Baths 2.0
Garage 2/ ATTCH		Parking 2/ ASSGN	Hndcp
Appl Incl DISHW, OVRNG, REFRG, WASHR,		Mech AUTODR, SMOKE, DEHUM	Pets Y
Int Feat FOYER, FP, SKY, OPENFL		Exterior DECK	Cable Y
Amenities CLUB, EXCER, GARDN, TENIS, GST		WtrFrt N	Pool Y
Misc PRVTRSH, PUBREC		Restrict OTHER, BOATS	

UTILITIES / ENERGY FEATURES

Heating WAIR	Cooling CAIR	Heat/Yr
Fuel GAS	Hot Wtr GAS, OWN	Oil Tank NA
Water PUBCT	Sewer PUBCT	Energy

OTHER INFORMATION

Assmt \$217,780	DevTyp CONDO	Taxes \$6,006	OthrTx
MillRt 27.58	Lse Opt N	TxPhsIn No	
Oth Fin	LL/MO	Mgmt ON	
HOA/MO \$247	HOA Incl TRASH, SNOW, GRNDS,MGMT	Mgmt Co	
Poss NEGOT	Lead UNKNW	Mgmt Ph	
UFFI UNKNW	Asbestos UNKNW		
Radon DOCAV		Vol/Pg 607 / 233	

VTour
Dir Rt 69 to Scott Rd right on to White Oak Dr 2nd building on right past Club House

COMP INFORMATION

Contr Date	S/Agt ID	Selling Office Code
Close Date	Sales Price	Days On Market

Copyright 2012 CT MLS, Inc. All Rights Reserved. The information contained in these MLS listings has been assembled from various sources of varying degrees of reliability. Any information that is critical to a buying decision should be independently verified. 10/02/12 10:56 AM

Toll Brothers

America's Luxury Home Builder®

Date: _____

Mr. Mrs. Ms. Dr.

Name: _____

Email: _____

Address: _____

City: _____

State: _____ Zip: _____

Phone: () _____

Cell Home Work

Thank you for taking the time to fill out our visitor card!
Please note that information will be shared only with Toll Brothers affiliates.



Regency at Prospect

How did you learn about our community?

Internet: (Please check all that apply.)

- TollBrothers.com
- NewHomeSource.com
- Realtor.com
- Zillow.com
- WSJ.com
- NYTimes.com

Other (please specify): _____

Newspaper/magazine Ad: (Please check all that apply.)

- Danbury News Times
- Stamford Advocate
- Republican-American
- Hartford Courant
- New Haven Register

Other (please specify): _____

Signs: Directional

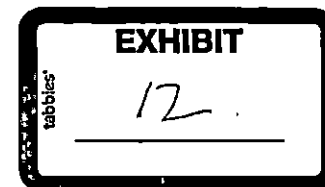
Mailing: Postcard Flyer Invitation Email

Referral:

- Friend
- Community Referral
- Toll Brothers Homeowner

Name: _____

Other (please specify): _____



✓ Exhibit 13

-----Original Message-----

From: Ponanski, Alan N.

Sent: Friday, October 05, 2012 2:23 PM

To: jmira@miralawfirm.com

Cc: Bullock, Vicky

Subject: Remaining Questions from the Real Estate Commission on The Matter of Toll Brothers, Inc, petitioners

Dear Jeff:

As you know, the Real Estate Commission needs certain further information/testimony to better understand the Recommended Homebuyers Program. Please have your client answer and give explanation on the following questions by sworn affidavit:

1. How is the 1099 issued on the gift/referral payment?
2. What kind of 1099? 1099 Miscellaneous?
3. Is the gift noted on the HUD-1 form?
4. When is the check generated for the gift in Connecticut? At the closing? After the closing? Before the closing?
5. How do you write off the gift/referral payment in Connecticut?
6. Does the real estate broker Thomas Jakavonni get a fee on every Toll Brothers transaction in Connecticut? What are the arrangements with Toll Brothers on his commission?
7. How does said real estate broker in Connecticut supervise his real estate salespersons? How many salespersons licenses are held by your broker Thomas Jakavonni?
8. Who is issuing the checks in Connecticut for commissions to the real estate salespersons? Is it Toll Brothers? Is it the Broker? Who is the check made payable?
9. How many and what states allow the Recommended Homebuyer Program?
10. How many and what states forbid the Recommended Homebuyer Program?
11. How many gifts have been given in Connecticut for the past year? 5 years? 10 years? 20 years?
12. How many homeowners received multiple gift payments in Connecticut?
13. How long has your Broker acted for Toll Brothers in Connecticut?

Thanks, Alan

14. Sales Contract

15. How are properties currently listed? / Sample Listing

JEFFREY J. MIRMAN
(860) 676-3120
jmirman@ldlaw.com

November 2, 2012

VIA HAND DELIVERY

Alan N. Ponanski, Esq.
Assistant Attorney General
State of Connecticut
55 Elm Street
Hartford, CT 06141-0120

**Re: Toll Brothers, Inc. - Petition for Declaratory Ruling
To Connecticut Real Estate Commission**

Dear Mr. Ponanski:

Following up on the request of the Commission at the end of the hearing held on October 3, 2012, I have enclosed the Affidavit of Jonathan Margolis, Assistant Vice President and Counsel of Toll Brothers, Inc. Mr. Margolis is familiar with the circumstances which led to the filing of the Petition for Declaratory Ruling, and has answered the questions raised by the Commission.

As I indicated at the October 3 hearing, and as Mr. Margolis has made clear in his Affidavit, the Petition does not ask the Commission to endorse any previous program of Toll Brothers, Inc., or any of its subsidiaries. Rather, the Petition seeks to determine, going forward, what program of providing a gift to an existing homeowner in a Toll Brothers community who has referred a buyer of a new Toll Brothers home is permitted under the existing statutes and regulations?

To summarize, the program which Toll Brothers wishes to pursue includes the following components:

- Toll Bros. Inc. will provide a gift of \$3,000 to an existing homeowner in a Toll Brothers community who has referred a buyer of a new home in a Toll community;
- The gift will be made by Toll Bros., Inc., and not by the company that is selling the unit;

Alan N. Ponanski, Esq.

November 2, 2012

Page 2

- The gift will be made post-closing;
- Identification of the gift will not appear on any HUD-1;
- Toll Bros., Inc. will issue a 1099-Misc. form to the homeowner receiving the gift. Toll Bros., Inc. will not issue any tax advice to the homeowner. Should Toll Bros., Inc. learn from the IRS or other authority that it should not issue a 1099, or instead issue some other form, it will do so;
- The gift is identified as a "cost of sale" on Toll Bros., Inc.'s books;
- The existing homeowner is not be involved in any way in the negotiation of any sale of any home, will not participate in any discussions relating to any sale; and need not even know that the buyer has identified the homeowner as a referral source;
- The existing homeowner has no involvement "in the listing for sale, selling, exchanging, buying or renting" of any Toll Brothers property;
- The existing homeowner has no involvement in the "offering or attempting to negotiate a sale, exchange, purchase or rental of any interest in" any Toll Brothers property;
- The existing homeowner is in no way involved with any "loan secured or to be secured by a mortgage or other encumbrance upon" any Toll Brothers property;
- The existing homeowner will not be authorized to and will not way act on behalf of or for Toll Bros., Inc. or any affiliate or subsidiary;
- The program will in no way interfere with the ability of any real estate broker or agent to earn any commission, but will be in addition to any commission which might be due to a licensed real estate broker or agent.

We believe that this proposed program is consistent with, and not contrary to, the provisions of Conn. Gen. Stat. Sections 20-311 and 20-325, and Section 20-328-8a of the Regulations.

Alan N. Ponanski, Esq.
November 2, 2012
Page 3

Finally, I have enclosed for inclusion into the record a copy of a letter (which I believe has been forwarded to the Commission) from Bill Ethier, Esq., Chief Executive Officer of the Home Builders & Remodelers Association of Connecticut, Inc. This letter is in support of and in agreement with the legal position taken by Toll Brothers. Please also note that Mr. Ethier has appropriately expressed the view that "[f]rom a policy perspective, finding that such referrals amount to engaging in the real estate business is highly damaging and disruptive to small business growth in Connecticut. Such referrals of potential new customers, especially from existing customers, are in fact the lifeblood of many NHCCs and amount to the best form of marketing."

I look forward to discussing these issues further at the Commission meeting of December 5, 2012.

Very truly yours,

LEVY & DRONEY, P.C.



Jeffrey J. Mirman

JJM/st
Enclosures

**STATE OF CONNECTICUT
REAL ESTATE COMMISSION**

IN THE MATTER OF:

TOLL BROS., INC.,
Petitioner

OCTOBER 25, 2012

AFFIDAVIT OF JONATHAN MARGOLIS

I, Jonathan Margolis, having been duly sworn, depose and state as follows:

1. I am over eighteen years of age and believe in the obligations of an oath.
2. I am an attorney admitted in New York State and the Commonwealth of Pennsylvania and am Assistant Vice President and Counsel of Toll Brothers, Inc., and its subsidiaries, including Petitioner ("Toll") in the above-captioned matter. I am familiar with the facts and circumstances set forth in the Petition, and have made due inquiry regarding the questions posed by the Commission at the hearing of October 3, 2012.
3. For example, I reviewed and investigated the issues set forth in the letter dated December 22, 2011 from Real Estate Examiner Erling (Exhibit 2). Although I concluded, based upon my understanding of Toll's nationwide program of providing a gift to an existing homeowner in a Toll community who introduced a new buyer to a Toll community, that this program was permitted under Connecticut law, I informed Ms. Erling that Toll would cease and desist from any such conduct (Exhibit 3). From at least the date of this letter until today, Toll has refrained from providing such gifts, and will continue to refrain from providing such gifts, pending the outcome of its Petition.

4. So that there is no misunderstanding, Toll does not ask the Real Estate Commission to endorse any previous programs. Rather, Toll asks the Real Estate Commission for an interpretation of the existing Connecticut regulations that will confirm that Toll is permitted to provide a gift to an existing homeowner who introduces a buyer of a new home in a Toll community. The amount of the gift to be made to a homeowner is \$3,000, regardless of the purchase price of the new home. The program will apply only to the sale of new homes, and not to any resales.

5. With that background in mind, it is my understanding that in the past the gift to the existing homeowner has been made after closing on a new home. The gift is made by Toll Bros., Inc., and not the company that is selling the unit. I understand that perhaps on one or two occasions in the past a gift was distributed at a closing, but I understand that to have been the exception, and not the practice. Going forward, the gift will be made post-closing by Toll Bros., Inc.

6. Because going forward gifts will be made post-closing, the identification of the gift will not appear on a HUD-1. With respect to those one or two occasions in the past that a gift was made at closing, it is possible that such a gift was referenced on a HUD-1. Again, going forward, the program will not have a gift made at a closing, and the gift will not appear in any fashion on a HUD-1.

7. In connection with the gift, our practice in the past has been, and we expect the practice in the future will be, to issue a 1099-Misc. form to the homeowner receiving the gift. We have not provided tax advice to the homeowner, and do not intend to in the future. If we were to learn from the IRS or from another source that we

should not issue a 1099, or instead issue some other form, we would, of course, comply.

8. The gift to the homeowner is identified as a "cost of sale" on Toll's books.

9. Again, I must emphasize that in order to receive the gift, the existing homeowner need not do anything. The homeowner is not involved in the negotiation of any sale of any home, does not participate in any discussions relating to any sale, and need not even know that the buyer has identified the homeowner as a referral source.

The homeowner is not authorized to and in no way acts on behalf of or for Toll.


Further affiant sayeth not.


Jonathan Margolis

STATE OF)
COUNTY OF) SS.:

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Donna E. McDonnell, Notary Public
Horsham Twp., Montgomery County
My Commission Expires Nov. 18, 2012
Member, Pennsylvania Association of Notaries

Subscribed and sworn to before me on this 31st day of October, 2012.


Notary Public



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

3 Regency Drive, Suite 204, Bloomfield, CT 06002
Tel: 860-216-5858 Fax: 860-206-8954 Web: www.hbact.org

*Your Home
Is Our
Business*

October 19, 2012

To: Real Estate Commission

From: Bill Ethier, Esq., CAE, Chief Executive Officer
Home Builders & Remodelers Association of Connecticut, Inc.

Re: Petition for Declaratory Ruling on the applicability of CGS, Sections 20-311 and 20-325 and section 20-328-8a of the Regulations of CT State Agencies on Toll Brothers' proposed Recommended Homebuyer program.

Respectfully, I write to express the opinion of the Home Builders & Remodelers Association of Connecticut, and request the Real Estate Commission to rule that the statutory and regulatory sections referenced above do not apply to Toll Brothers' proposed Recommended Homebuyer program and, more importantly, further rule that such sections do not apply to any similar referral thank you gifts, whether connected to an established program or not, that might be offered by a new home construction contractor (NHCC) in Connecticut. CT law should encourage, or at least not inhibit, persons to refer new customers to NHCCs and if that generates a thank you gift it should not violate real estate licensing laws. In brief, simply referring a customer to a NHCC has nothing to do with "engaging in the real estate business."

As noted at the oral argument on this petition on October 3, 2012, and by simply reading the statute (CGS, Sec. 20-311), the statute is clear that "engaging in the real estate business" requires three elements:

1. Acting for another (i.e., the person alleged to be engaged in the real estate business is a third party to the seller and buyer of real estate, or to a landlord and tenant);
2. For a fee, commission or other valuable consideration; and
3. In the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of an interest in real estate.

From a legal perspective, an existing home owner, or anyone else for that matter, who simply refers a person to a NHCC, and such referring person is paid a gift as a thank you for that referral, on its face is not "engaging in the real estate business." If any one of the three factors is not met, you must rule that thanking a referring person with a gift does not implicate the real estate licensing laws. And, here, all three factors under the law are not met.

From a policy perspective, finding that such referrals amount to engaging in the real estate business is highly damaging and disruptive to small business growth in Connecticut. Such referrals of potential new customers, especially from existing customers, are in fact the lifeblood of many NHCCs and amount to the best form of marketing. An adverse ruling on this petition and our request to apply it industry-wide

"Leading Our Members to Professional Excellence."

Serving the Residential Development & Construction Industry Through Advocacy, Education & Networking.

would destroy a commonly understood right of people talking to people and businesses thanking people with a gift.

Examining the three elements of "engaging in the real estate business" reveals that element 1 (a third party acting for another) can be met only by concluding that the referring person is acting for the NHCC or acting for the referred person, i.e., new customer. Common sense dictates, however, that such referrals most often arise in every day conversation with friends, neighbors and co-workers. The referring person is not acting for another nor does anything else to implicate our real estate licensing laws. It is the new customer who visits the NHCC and who writes down the name of the referring person.

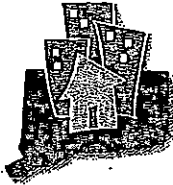
Element 2 (fee, commission or other valuable consideration) is inextricably intertwined with elements 1 and 3, so is also not met. That is, without meeting elements 1 and 3, element 2 cannot be met. Moreover, the testimony of C.A.R.'s sole witness, (Ruppie ?) confirms that valuable consideration in the abstract (without tying it to elements 1 and 3) is not sufficient to meet element 2. He stated, under oath, that he also has provided a gift basket or bottle of wine on occasion to a referring person. He further seemed to argue that what he has done is OK but the facts outlined in the petition is not. The two scenarios are a distinction without a difference. The only way to reconcile the two is for the Real Estate Commission to conclude that Ruppie's (?) gifts are not valuable consideration. But then where would you draw the line on what is valuable? There is no basis in statute for drawing any such line. More to the point, without tying the valuable consideration to elements 1 and 3, element 2 is simply not implicated.

Element 3 (listing for sale, etc.) is not applicable on all counts by any reading of the law. A referral's connection, direct or indirect, to real estate is not enough. The law must be read. The referring person is in no way for another and for a fee "listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate" CGS, Sec. 20-311. The referring person is not engaged in any of the communications, visits, considerations of options, or contract negotiations between the referred person (i.e., new customer) and the NHCC. It is an extreme stretch to conclude that an existing home owner or any other person who simply refers a new customer to a NHCC meets any piece of element 3 of "engaging in the real estate business."

As for the rest of the petition for declaratory ruling, CGS sections 20-325 and 20-329 are irrelevant without a violation of sec. 20-311. And, section 20-328-8a of the regulations is irrelevant to the petition and our request since on its face it applies to only licensees and imposes a prohibition on rebating or sharing any part of the licensee's commission or compensation arising out of a real estate transaction, a fact that does not occur under either Toll Brothers' program or the referral thank you's contemplated under our request. Certainly, any ruling in favor of our request could be accompanied by a condition that any valuable consideration provided as a thank you to a referring person cannot violate the prohibition of section 20-328-8a of CT's regulations.

Thank you very much for considering our comments as you discuss how to rule on this petition.

Exhibit 15



CONNECTICUT ASSOCIATION OF
REALTORS[®] INC.

CHK# _____
ACCT# _____
ACCT# _____

2012 NOV 21 A 8:33

PAY TO WEBSTER BANK
WTSY CT 211170101
01 POST OFFICE TREAS CT
06108-0001

November 20, 2012

Connecticut Real Estate Commission
Department of Consumer Protection
165 Capitol Avenue
Hartford, CT 06106

Re: Toll Brothers' Declaratory Ruling

Dear Commissioners:

This is in response to the latest proposal of Toll Brothers for a declaratory ruling concerning its proposed "marketing plan" which involves paying \$3000 to owners of Toll Brothers properties who "refer" a buyer to Toll Brothers.

One must admire the dogged insistence on applying a particular label to a payment in the hopes that the mere label will magically transform the payment into something that it is not. Both Toll Brothers and the Connecticut Association of Home Builders (CAHB) repeatedly refer to the \$3000 payment as a "gift" or "thank you gift", a position wholly bereft of any basis in reality, as it is, in fact, compensation for a service rendered. To that point, the IRS would not regard this payment as a gift as that issue was decided 50 years ago in the case of *Commissioner v. Duberstein*, 363 U.S. 278 (1960). In that case, the Supreme Court held that a payment was not a gift unless it was given through the "disinterested generosity" of the donor. There is nothing disinterested about Toll Brothers' payments. Toll Brothers and the CAHB can refer to the payment as a "gift" all they wish, but that does not make it so, and both the IRS and Connecticut Department of Revenue Services will require income taxes on the payment.

In addition, both Toll Brothers and CAHB predicate their argument on the assumption that the conversation between the Toll Brothers' compensated homeowner and the prospect is a simple "referral." In fact, Toll Brothers has no control over what is said in that conversation. The compensated Toll Brothers homeowner may say or do anything he or she wishes during the course of the "referral", including showing Toll Brothers properties, extolling the virtues (read "selling") of Toll Brothers properties, and visiting the prospective home site with the prospect in order to make the "referral". The mere fact that Toll Brothers does not require these activities to be performed in order to generate the compensation does not mean that they will not be performed - the very reason that so-called "referral activities" come within the scope of the licensing requirements. The Commission has always been concerned about turning compensated but unlicensed persons loose on consumers as is reflected in its Policy On Use Of Unlicensed Persons By Licensees (attached) and recognizes that compensated persons making referrals need to be licensed (see Real Estate Commission's Policy on Referral Fees attached).

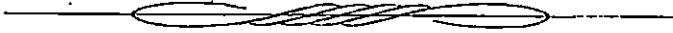
111 Founders Plaza, Suite 1101, East Hartford, CT 06108-3212
Tel: (860) 290-6601 | Toll Free: (800) 335-4862 | Fax: (860) 290-6615
www.ctrealtor.com



The Voice for Real Estate[™] in Connecticut

<p>⇒Dual Agency Consent Agreement (if not designating agents) <i>or</i> ⇒Dual Agency/Designated Agency Disclosure Notice and Consent Agreement (if also designating agents) Go to STEP A6. (ii) If no, Stop. Cannot represent both parties in the same transaction without obtaining their informed consent.</p> <p>STEP A6. Have Brokerage Firm and both Buyer and Seller agreed to the appointment of Designated Agents?</p> <p>(i) If yes, both Buyer, Seller, and broker sign Dual Agency/ Designated Agency Disclosure Notice and Consent Agreement and broker must appoint designated agents in that Agreement. Designated agents proceed as such, rest of office proceeds as Dual Agent. (ii) If no, proceed as Dual Agent, with no designated agency.</p>		<p>subagency, containing subagent Broker's name and licensee number and containing a statement that the law imposes vicarious liability on the Seller for the acts of the sub-agent. Go to STEP A3. (ii) If no, Stop. Cannot proceed in this transaction and be legally entitled to compensation.</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- These are the most common scenarios that a Broker may encounter, although this outline is not all encompassing. Refer to the Connecticut General Statutes for further detail and clarification on Connecticut agency relationships.


CONNECTICUT REAL ESTATE COMMISSION
POLICY
ON
(I) REFERRAL FEES
AND
(II) INTERFERING WITH AGENCY RELATIONSHIPS

History. There has been real estate brokerage industry concern in Connecticut that real estate relocation companies (and affinity groups) are charging brokers referral fees for business that the broker already has (either because an agent generated it or another broker referred it). In this situation, there is no referral of business and no agreement between the broker and relocation company that the broker will pay a fee. Therefore, the broker is under no legal obligation to pay the relocation company a referral fee. However, brokers have stated that they feel pressured to pay the fee because otherwise (1) benefits will be withheld from the broker's client, and (2) a broker may not be sent future referrals.

In order to provide guidance to licensees on the issues of (I) referral fees and (II) interfering with agency relationships, the Connecticut Real Estate Commission establishes the following policy:

- I. Section 20-328-8a(e) of the Connecticut real estate regulations prohibits a broker from paying a referral fee to an unlicensed person engaging in the real estate business. In order to meet this license requirement, the person receiving the referral fee can be licensed in either Connecticut or another state.
- II. Section 20-328-8a(a) of the Connecticut real estate regulations prohibits a licensee from demanding a referral fee, unless a reasonable cause for payment of the referral fee exists. A reasonable cause for payment (which would allow a licensee to demand a referral fee, but not necessarily mean that the licensee has a legal right to a referral fee) means that (1) an actual introduction of business has been made, (2) a subagency relationship exists, (3) a contractual referral fee relationship exists, or (4) a contractual cooperative brokerage relationship exists.
- III. Section 20-328-9a(a) of the Connecticut real estate regulations prohibits a licensee from interfering with the agency relationship of another licensee (and further, section 20-328-9a(c) prohibits a licensee from attempting to induce a seller or landlord to break a listing contract with another licensee for the purpose of substituting it for a new listing contract). For purposes of this section, an agency relationship is not established until a written agency agreement (either a listing or buyer representation agreement) is entered into. Interfering with the

EXHIBIT 16

HinckleyAllenSnyder LLP
ATTORNEYS AT LAW

JEFFREY J. MIRMAN
(860) 331-2762
jmirman@haslaw.com

20 Church Street
Hartford, CT 06103-1221
TEL: 860.725.6200
FAX: 860.278.3802
www.haslaw.com

January 28, 2013

VIA ELECTRONIC MAIL Alan.Ponanski@ct.gov
AND U.S. MAIL

Alan N. Ponanski, Esq.
Assistant Attorney General
State of Connecticut
55 Elm Street
Hartford, CT 06141-0120

Re: Toll Bros., Inc. - Petition for Declaratory Ruling
To Connecticut Real Estate Commission

Dear Mr. Ponanski:

This letter will summarize the components of the program which Toll Bros., Inc. (including affiliates where relevant, "Toll") wishes to implement, and for which Toll has submitted the pending Petition for Declaratory Ruling. As I indicated to you previously, the Petition does not ask the Commission to endorse any previous program or adopt any new law, rule or regulation. Rather, the Petition seeks to confirm, going forward, that, under the existing statutes and regulations, Toll is permitted to implement a program of providing a gift to an existing homeowner in a Toll community who has referred a buyer of a new Toll home.¹

Thus, the program which Toll wishes to pursue includes the following components:

- Toll will provide a gift expected to be \$3,000 regardless of the price of a home to an existing "happy homeowner" in a Toll community who has referred a buyer of a new home in a Toll community;
- The gift will be made by Toll Bros., Inc., and not by the company that is selling the unit;

¹ Following up on our previous correspondence, Toll is currently offering or has offered this program in Pennsylvania, Delaware, Nevada, Texas, New Jersey, New York, South Carolina, Virginia, Maryland, Michigan, Illinois, and Massachusetts without any opposition or claim of impropriety. We are not aware of any states which have prohibited such a program.

Alan N. Ponanski, Esq.
January 28, 2013
Page 2

- The gift will be made post-closing, in a separate transaction not in any way connected with any closing;
- Identification of the gift will not appear on any HUD-1, gifts will not be made in connection with any closing;
- The gift will be identified on Toll Bros., Inc.'s books as a cost of sale, and not in any way as a write-off;
- Toll Bros., Inc. will issue a 1099-Misc. form to the homeowner receiving the gift. Toll Bros., Inc. will not issue any tax advice to the homeowner. Should Toll Bros., Inc. learn from the IRS or other authority that it should not issue a 1099, or instead issue some other form, it will do so;
- The existing homeowner will not be an agent, representative, employee, etc. of Toll and will not be involved in any way in the negotiation of any sale of any home, will not participate in any discussions relating to any sale; and need not even know that the buyer has identified the homeowner as a referral source;
- The existing homeowner has no involvement "in the listing for sale, selling, exchanging, buying or renting" of any Toll property;
- The existing homeowner has no involvement in the "offering or attempting to negotiate a sale, exchange, purchase or rental of any interest in" any Toll property;
- The existing homeowner is in no way involved with any "loan secured or to be secured by a mortgage or other encumbrance upon" any Toll Brothers property;
- The existing homeowner will not be authorized to and will not in any way act on behalf of or for Toll Bros., Inc. or any affiliate or subsidiary, including the selling entity;
- Other than knowing from receiving a gift that a homebuyer has identified the homeowner as a source and that the homebuyer has closed, no information will be disclosed to the homeowner receiving the gift and the homeowner will have no right to request any information relating to the transaction; and

Alan N. Ponanski, Esq.
January 28, 2013
Page 3

- The program will in no way interfere with the ability of any real estate broker or agent to earn any commission, but will be in addition to any commission which might be due to a licensed real estate broker or agent under Toll's normal policies and procedures. As such, the gift will not in any way be a real estate commission.

We believe that this proposed program is consistent with, and not contrary to, the provisions of Conn. Gen. Stat. Sections 20-311 and 20-325, and Section 20-328-8a of the Regulations.

Very truly yours,

HINCKLEY, ALLEN & SNYDER, LLP



Jeffrey J. Mirman

JJM/st



CONNECTICUT ASSOCIATION OF
REALTORS[®] INC.

February 5, 2013

Alan N. Ponanski, Esq.
Assistant Attorney General
Office of the Attorney General
55 Elm Street
Hartford, CT 06141-0120

RE: Toll Brothers, Inc. – petition for declaratory ruling to the Connecticut Real Estate Commission

Dear Attorney Ponanski:

We are in receipt of Attorney Mirman's January 28, 2013 letter outlining the very latest iteration of the Toll Brothers' proposed compensation plan for the referral it receives from homeowners.

The Association maintains that no declaratory ruling is necessary here because the application of the current statutory definitions set forth in Section 20-311 of the Connecticut General Statutes and the application of these definitions to the real estate business has been consistent and clear over the last 65 years.

As you know, despite Toll Brothers' argument to the contrary, the statutory definition does not contain any threshold or laundry-list of activities that must be performed for a person to be "engaging in the real estate business." The statute states that one who (a) acts for another; (b) for a fee or other valuable consideration; and (c) in the selling or buying of real estate is "engaging in the real estate business." There are thousands of licenses issued to persons who are part of referral-only groups. The licenses are held so these people may collect referral fees. According to Toll Brothers' formulation of "engaging in the real estate business", these persons need not have a license to collect referral fees. Obviously, the Real Estate Commission has not adopted this view in its near 65 years of operation and need not accept it now.

As much as Toll Brothers would like to forget about the past, the fact of the matter is that Toll Brothers had this program in operation in Connecticut until the Real Estate Commission issued a cease and desist letter. The Commission therefore has a track record as described by Toll Brothers' witnesses. This track record reveals that far from being mere referrals, the "happy homeowners" were not only compensated endorsers but actively selling properties for a fee. As the witnesses revealed, referring homeowners were free to acquire prospects through model homes, use their own properties as model homes, take prospects through the developments, show properties, and discuss the glories of Toll Brothers' construction and communities all unconstrained by the requirements of the real



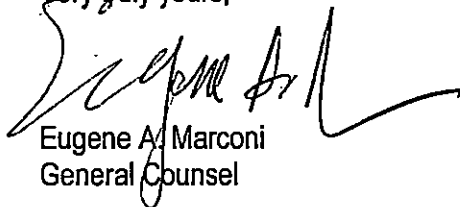


CONNECTICUT ASSOCIATION OF
REALTORS[®] INC.

estate brokerage license laws. In fact, this is the point of the whole program. If this was not so, Toll Brothers could create all the "happy homeowners" it wished simply by periodically sending checks to its homeowners and skipping the referral requirement. Through the testimony elicited at the hearing, Toll Brothers has established a track record of using unlicensed sales managers, employing a broker in name only who exercises little, if any, supervision over the licenses held, ignoring the agency disclosure laws, and seeking to encourage, through this payment program, its homeowners to not only refer their friends, families and acquaintances, but to actively show and promote its housing to those friends, families, and acquaintances. To bless the Toll Brothers' program means that the Commission, for the first time, will set untrained, uncontrolled, and unregulated persons loose on the buying public incentivized by the prospect of a \$3000 payment, without the license required by statute for that activity.

Since this activity meets all of the requirements of the definition of "engaging in the real estate business", there is no need for the Commission to issue a declaratory ruling on a subject where the definition has remained unchanged since 1953 and which has been consistently applied since then so as to require licensure under the circumstances that Toll Brothers has described. Further, the testimony provided at the hearing concerning the program as it was implemented in Connecticut prior to the Commission's order to cease and desist indicates that it is nothing more than an incentive for previous purchasers of Toll Brothers' properties to sell Toll Brothers' real estate, however that is accomplished, to their friends, families, and acquaintances. Even assuming that Toll Brothers is correct in its assertions that certain activities must be undertaken in order to be "engaging in the real estate business", the testimony before the Commission showed that Toll Brothers neither has the will nor the means to prevent unlicensed persons incentivized by the prospect of a \$3000 payment from venturing into those activities – the very reason to require licensure of those dealing with the public. Toll Brothers cannot set the wheels of commerce in motion, take the benefits of that commerce, pay for that commerce, and then claim exemption from the rules and regulations governing that commerce.

Very truly yours,



Eugene A. Marconi
General Counsel

EAM/kpm

111 Founders Plaza, Suite 1101, East Hartford, CT 06108-3212
Tel: (860) 290-6601 | Toll Free: (800) 335-4862 | Fax: (860) 290-6615
www.ctrealtor.com



The Voice for Real Estate[™] in Connecticut

**STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION
CONNECTICUT REAL ESTATE COMMISSION
Minutes of Meeting
June 5, 2013**

The Connecticut Real Estate Commission convened on Wednesday, June 5, 2013 at 9:15 a.m. in Room-126 of the State Office Building, 165 Capitol Avenue, Hartford, CT 06106.

Commissioners Present: Marilyn L. Keating, Acting Chairperson (Salesperson – 4th District)
Joseph B. Castonguay (Broker – 2nd District)
Lana K. Ogrodnik (Broker – 5th District)
Theodore F. Ells, Esq. (Public Member- 3rd District)
James B. Hoffman (Salesperson – 4th District)
Morag L. Vance (Public Member – 4th District)
Joseph H. Kronen (Public Member – 1st District)

Commissioners Absent: None

Commission Vacancy: Salesperson – 3rd District (1)

Attorney General's Office: Alan N. Ponanski, Assistant Attorney General

DCP Staff Present: Michele Erling Richard Maloney
Kelly Harvey Matthew Micari - Intern
Vicky Bullock Kristine Victor - Intern
Robin Washbond

Public Present: Larry Hannafin Judith Johannsen
Dan Walton Joseph Grippe, Esq.
Jeffrey Mirman, Esq. Edward Parker
Ronald Procko John Morgan
Alfred Surprenant Edward Marcus, Esq.

The next meeting of this Commission is scheduled for Wednesday, August 7, 2013 at 9:15 am in Rm-126

MINUTES OF PREVIOUS MEETINGS

It was moved by Commissioner Ogradnik, Commissioner Ells 2nd, and the motion carried to approve the minutes of the April 3, 2013 CT Real Estate Commission meeting as amended.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

Richard Maloney, Director of Trade Practices, introduced Real Estate interns Kristine Victor and Matthew Micari to the Commission. Kristine and Matthew attend the University of Connecticut and have joined DCP for the summer to provide administrative support to the Real Estate and Appraisal staff.

DECLARATORY RULING PROCEEDING

Petition for Declaratory Ruling from Toll Brothers, Inc.

Pursuant to Connecticut General Statutes, Section 4-176, Toll Brothers Inc. has asked the Real Estate Commission to issue a Declaratory Ruling as to the applicability of Connecticut General Statutes, Section 20-311 and Section 20-325 and Section 20-328-8a of the Regulations of Connecticut State Agencies on a proposed Recommended Homebuyer program at Toll Brothers communities in Connecticut.

Commissioner Ogradnik read into the record the Declaratory Ruling issued by the Connecticut Real Estate Commission:

Pursuant to Connecticut General Statutes, Section 4-176 et seq., the Commission issues the following Declaratory Ruling in response to the Petition of Toll Brothers, Inc. concerning the legality of money paid to unlicensed third parties.

The Commission finds that this specific program is a violation of Connecticut General Statutes Sections 20-311 (1)(a) and 20-325, and Section 20-328-8a of the Regulations and its spirit, especially the statutory language of 20-311 (3) which states " [e]ngaging in the real estate business" means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate...". The facts and testimony presented to the Commission show an existing homeowner acting for a third party (Toll Brothers) and for valuable consideration (money) in the selling of real estate to a buyer.

Conclusion:

The proposed, very specific Toll Brothers, Inc. program of providing money to an existing homeowner in a Toll community who had referred a buyer of a new Toll home is a violation of Connecticut General Statutes Sections 20-311 (1)(a) and 20-325, and Section 20-328-8a of the Regulations.

It was moved by Commissioner Ogradnik, Commissioner Ells 2nd, and the motion carried to accept the Declaratory Ruling. Commissioner Castonguay opposed. Commissioner Kronen recused himself from this matter.

CHRO

Jayvell Washington – RES.795689

This matter was postponed to the August meeting.

Ronald Procko - RES.0793803

Mr. Procko appeared before the Commission with a letter from his sponsoring broker and provided an update on his training, progress and activities as a Salesperson as required by the Real Estate Commission at their June 2012 meeting.

Brian Kirk – RES.0796697

This matter was taken off the agenda.

REAL ESTATE GUARANTY FUND APPLICATION

Case# 2013-82 - Margaret Mott vs. Stacy Skeen (REB.757167)

It was moved by Commissioner Vance, Commissioner Ogrodnik 2nd, and the motion carried to approve payment to Ms. Mott in the amount of \$25,000 from the Real Estate Guaranty Fund.

NEW BUSINESS

Edward L Parker / America's Homes & Communities Real Estate LLC (REB.757601) Motion for Reconsideration

The Commission denied Mr. Parker's request for reconsideration. He was advised to contact his State Senator or Representative to discuss his concern regarding the Real Estate Laws and Regulations.

PSI - CT Real Estate Exam Results – School Summary

Real Estate Examiner Michele Erling provided a summary of the Connecticut Real Estate exam statistics for May 1, 2012 – April 30, 2013.

Commissioner Keating called for a short recess at 10:30 a.m. and the meeting reconvened at 10:45 a.m.

REAL ESTATE APPLICATIONS/WAIVERS

Willard Finkle, Jr – Seeking equivalency credit for P & P course taken in Florida in 2009

It was moved by Commissioner Castonguay, Commissioner Ogrodnik 2nd, and the motion carried to grant equivalency credit for the Principles and Practices Course taken in Florida and that Mr. Finkle must take both portions (State and General) of the licensing exam.

Alfred Surprenant – New Broker application - Seeking waiver of pre-licensing education and waiver of national portion of exam

It was moved by Commissioner Castonguay, Commissioner Ogrodnik 2nd, and the motion carried to waive the pre-licensing education and the national portion of the licensing examination.

Joshua Martin – Salesperson applicant seeking waiver of a portion of Principles and Practices Course

Mr. Martin withdrew his request.

Allison Blanchard – New Salesperson application - Seeking equivalency credit for P & P course

It was moved by Commissioner Castonguay, Commissioner Hoffman 2nd, and the motion carried to deny Ms. Blanchard's request for equivalency credit for the Principles and Practices Course.

CONSENT AGREEMENT

Docket # 2013-78

It was moved by Commissioner Vance, Commissioner Kronen 2nd, and the motion carried to accept the Consent Agreement as presented by DCP.

2012-44 & 2011-427

It was moved by Commissioner Vance, Commissioner Ogrodnik 2nd, and the motion carried to accept the Consent Agreement as presented by DCP.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

None

ADJOURNMENT

It was moved by Commissioner Vance, Commissioner Castonguay 2nd, and the motion carried to adjourn the meeting at 11:40 a.m.

Respectfully Submitted,

Robin Washbond
Commission Secretary

Note: The administrative functions of the Boards, Commissions and Councils are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division. For information contact Richard M. Hurlburt, Director at (860) 713-6135 or Fax: (860) 713-7230.

Agency Website: www.ct.gov/dcp

Division E-Mail: DCP.OccupationalProfessional@ct.gov

**STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION
CONNECTICUT REAL ESTATE COMMISSION
Minutes of Meeting
June 5, 2013**

The Connecticut Real Estate Commission convened on Wednesday, June 5, 2013 at 9:15 a.m. in Room-126 of the State Office Building, 165 Capitol Avenue, Hartford, CT 06106.

Commissioners Present: Marilyn L. Keating, Acting Chairperson (Salesperson – 4th District)
Joseph B. Castonguay (Broker – 2nd District)
Lana K. Ogradnik (Broker – 5th District)
Theodore F. Ells, Esq. (Public Member- 3rd District)
James B. Hoffman (Salesperson – 4th District)
Morag L. Vance (Public Member – 4th District)
Joseph H. Kronen (Public Member – 1st District)

Commissioners Absent: None

Commission Vacancy: Salesperson – 3rd District (1)

Attorney General's Office: Alan N. Ponanski, Assistant Attorney General

DCP Staff Present: Michele Erling Richard Maloney
Kelly Harvey Matthew Micari - Intern
Vicky Bullock Kristine Victor - Intern
Robin Washbond

Public Present: Larry Hannafin Judith Johannsen
Dan Walton Joseph Grippe, Esq.
Jeffrey Mirman, Esq. Edward Parker
Ronald Procko John Morgan
Alfred Surprenant Edward Marcus, Esq.

The next meeting of this Commission is scheduled for Wednesday, August 7, 2013 at 9:15 am in Rm-126

MINUTES OF PREVIOUS MEETINGS

It was moved by Commissioner Ogrodnik, Commissioner Ells 2nd, and the motion carried to approve the minutes of the April 3, 2013 CT Real Estate Commission meeting as amended.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

Richard Maloney, Director of Trade Practices, introduced Real Estate interns Kristine Victor and Matthew Micari to the Commission. Kristine and Matthew attend the University of Connecticut and have joined DCP for the summer to provide administrative support to the Real Estate and Appraisal staff.

DECLARATORY RULING PROCEEDING

Petition for Declaratory Ruling from Toll Brothers, Inc.

Pursuant to Connecticut General Statutes, Section 4-176, Toll Brothers Inc. has asked the Real Estate Commission to issue a Declaratory Ruling as to the applicability of Connecticut General Statutes, Section 20-311 and Section 20-325 and Section 20-328-8a of the Regulations of Connecticut State Agencies on a proposed Recommended Homebuyer program at Toll Brothers communities in Connecticut.

Commissioner Ogrodnik read into the record the Declaratory Ruling issued by the Connecticut Real Estate Commission:

Pursuant to Connecticut General Statutes, Section 4-176 et seq., the Commission issues the following Declaratory Ruling in response to the Petition of Toll Brothers, Inc. concerning the legality of money paid to unlicensed third parties.

The Commission finds that this specific program is a violation of Connecticut General Statutes Sections 20-311 (1)(a) and 20-325, and Section 20-328-8a of the Regulations and its spirit, especially the statutory language of 20-311 (3) which states " [e]ngaging in the real estate business" means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate...". The facts and testimony presented to the Commission show an existing homeowner acting for a third party (Toll Brothers) and for valuable consideration (money) in the selling of real estate to a buyer.

Conclusion:

The proposed, very specific Toll Brothers, Inc. program of providing money to an existing homeowner in a Toll community who had referred a buyer of a new Toll home is a violation of Connecticut General Statutes Sections 20-311 (1)(a) and 20-325, and Section 20-328-8a of the Regulations.

It was moved by Commissioner Ogrodnik, Commissioner Ells 2nd, and the motion carried to accept the Declaratory Ruling. Commissioner Castonguay opposed. Commissioner Kronen recused himself from this matter.

CHRO

Jayvell Washington – RES.795689

This matter was postponed to the August meeting.

Ronald Procko - RES.0793803

Mr. Procko appeared before the Commission with a letter from his sponsoring broker and provided an update on his training, progress and activities as a Salesperson as required by the Real Estate Commission at their June 2012 meeting.

Brian Kirk – RES.0796697

This matter was taken off the agenda.

REAL ESTATE GUARANTY FUND APPLICATION

Case# 2013-82 - Margaret Mott vs. Stacy Skeen (REB.757167)

It was moved by Commissioner Vance, Commissioner Ogrodnik 2nd, and the motion carried to approve payment to Ms. Mott in the amount of \$25,000 from the Real Estate Guaranty Fund.

NEW BUSINESS

Edward L Parker / America's Homes & Communities Real Estate LLC (REB.757601) Motion for Reconsideration

The Commission denied Mr. Parker's request for reconsideration. He was advised to contact his State Senator or Representative to discuss his concern regarding the Real Estate Laws and Regulations.

PSI - CT Real Estate Exam Results – School Summary

Real Estate Examiner Michele Erling provided a summary of the Connecticut Real Estate exam statistics for May 1, 2012 – April 30, 2013.

Commissioner Keating called for a short recess at 10:30 a.m. and the meeting reconvened at 10:45 a.m.

REAL ESTATE APPLICATIONS/WAIVERS

Willard Finkle, Jr – Seeking equivalency credit for P & P course taken in Florida in 2009

It was moved by Commissioner Castonguay, Commissioner Ogrodnik 2nd, and the motion carried to grant equivalency credit for the Principles and Practices Course taken in Florida and that Mr. Finkle must take both portions (State and General) of the licensing exam.

Alfred Surprenant – New Broker application - Seeking waiver of pre-licensing education and waiver of national portion of exam

It was moved by Commissioner Castonguay, Commissioner Ogródnik 2nd, and the motion carried to waive the pre-licensing education and the national portion of the licensing examination.

Joshua Martin – Salesperson applicant seeking waiver of a portion of Principles and Practices Course

Mr. Martin withdrew his request.

Allison Blanchard – New Salesperson application - Seeking equivalency credit for P & P course

It was moved by Commissioner Castonguay, Commissioner Hoffman 2nd, and the motion carried to deny Ms. Blanchard's request for equivalency credit for the Principles and Practices Course.

CONSENT AGREEMENT

Docket # 2013-78

It was moved by Commissioner Vance, Commissioner Kronen 2nd, and the motion carried to accept the Consent Agreement as presented by DCP.

2012-44 & 2011-427

It was moved by Commissioner Vance, Commissioner Ogródnik 2nd, and the motion carried to accept the Consent Agreement as presented by DCP.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

None

ADJOURNMENT

It was moved by Commissioner Vance, Commissioner Castonguay 2nd, and the motion carried to adjourn the meeting at 11:40 a.m.

Respectfully Submitted,

Robin Washbond
Commission Secretary

Note: The administrative functions of the Boards, Commissions and Councils are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division. For information contact Richard M. Hurlburt, Director at (860) 713-6135 or Fax: (860) 713-7230.

Agency Website: www.ct.gov/dcp Division E-Mail: DCP.OccupationalProfessional@ct.gov

**STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION
CONNECTICUT REAL ESTATE COMMISSION
June 11, 2013**

The Connecticut Real Estate Commission met in Executive Session on Wednesday, June 11, 2013 at 11:00 a.m. in Room-101 of the State Office Building, 165 Capitol Avenue, Hartford, CT 06106.

Commissioners Present: (All Commission members attended by conference call)
Marilyn L. Keating, Acting Chairperson (Salesperson – 4th District)
Joseph B. Castonguay (Broker – 2nd District)
Lana K. Ogrodnik (Broker – 5th District)
Theodore F. Ells, Esq. (Public Member- 3rd District)
James B. Hoffman (Salesperson – 4th District)
Morag L. Vance (Public Member – 4th District)

Commissioners Absent: Joseph H. Kronen (Public Member – 1st District)
(Recused in this matter)

Attorney General's Office: Alan N. Ponanski, Assistant Attorney General

DCP Staff Present: Michele Erling Richard Maloney
Kelly Harvey Matthew Micari - Intern
Robin Washbond Kristine Victor - Intern
Vicky Bullock

The Commission voted to go into Executive Session to consult with the Assistant Attorney General about the legal implications pertaining to the decision in the declaratory petition of Toll Brothers, Inc. The Executive Session began at 11:00 a.m. and ended at 11:50 a.m.

**STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION
CONNECTICUT REAL ESTATE COMMISSION
June 11, 2013**

The Connecticut Real Estate Commission met in Executive Session on Wednesday, June 11, 2013 at 11:00 a.m. in Room-101 of the State Office Building, 165 Capitol Avenue, Hartford, CT 06106.

Commissioners Present: (All Commission members attended by conference call)
Marilyn L. Keating, Acting Chairperson (Salesperson – 4th District)
Joseph B. Castonguay (Broker – 2nd District)
Lana K. Ogrodnik (Broker – 5th District)
Theodore F. Ells, Esq. (Public Member- 3rd District)
James B. Hoffman (Salesperson – 4th District)
Morag L. Vance (Public Member – 4th District)

Commissioners Absent: Joseph H. Kronen (Public Member – 1st District)
(Recused in this matter)

Attorney General's Office: Alan N. Ponanski, Assistant Attorney General

DCP Staff Present: Michele Erling Richard Maloney
Kelly Harvey Matthew Micari - Intern
Robin Washbond Kristine Victor - Intern
Vicky Bullock

The Commission voted to go into Executive Session to consult with the Assistant Attorney General about the legal implications pertaining to the decision in the declaratory petition of Toll Brothers, Inc. The Executive Session began at 11:00 a.m. and ended at 11:50 a.m.

**STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION
CONNECTICUT REAL ESTATE COMMISSION
Minutes of Meeting
August 7, 2013**

The Connecticut Real Estate Commission convened on Wednesday, August 7, 2013 at 9:15 a.m. in Room-126 of the State Office Building, 165 Capitol Avenue, Hartford, CT 06106.

Commissioners Present: Marilyn L. Keating, Acting Chairperson (Salesperson – 4th District)
Joseph B. Castonguay (Broker – 2nd District)
Lana K. Ogradnik (Broker – 5th District)
James B. Hoffman (Salesperson – 4th District)
Linda C. Burnham (Salesperson – 2nd District)
Morag L. Vance (Public Member – 4th District)
Joseph H. Kronen (Public Member – 1st District)
Theodore F. Ells, Esq. (Public Member- 3rd District)

Commissioners Absent: None

Commission Vacancy: None

Attorney General's Office: None

DCP Staff Present: Michele Erling Richard Maloney
Kelly Harvey Matthew Micari - Intern
Vicky Bullock Kristine Victor - Intern
Robin Washbond

Public Present: Laurence Hannafin Judith Johanssen
Sally Carr Steven Blaine
Jeffrey Mirman, Esq. Richard Nwadukwe
Greg Kamedulski

The next meeting of this Commission is scheduled for Wednesday, October 2, 2013 at 9:15 am in Rm-126

SWEARING IN OF NEW MEMBER, LINDA C. BURNHAM

Attorney Vicky Bullock swore in Linda C. Burnham, as a new member of the CT Real Estate Commission.

The Commission members and staff congratulated Ms. Burnham on her appointment.

MINUTES OF PREVIOUS MEETINGS

It was moved by Commissioner Ells, Commissioner Vance 2nd, and the motion carried to approve the minutes of the June 5, 2013 CT Real Estate Commission meeting.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

None

CHRO

Steven Blaine – Motion for Reconsideration

The Commission advised Mr. Blaine that he is required to have a sponsoring broker due to his felony conviction and that he may reappear before the Commission with his sponsoring broker, for reconsideration of his Salesperson application.

NEW BUSINESS

Toll Brothers, Inc.

It was moved by Commissioner Castonguay, Commissioner Ogrodnik 2nd, and the motion carried that the Commission reconsider its decision that the Toll Brothers program is in violation of the State Statutes.

Commissioner Kronen recused himself from this matter.

Commissioner Burnham recused herself from this matter.

It was moved by Commissioner Castonguay, Commissioner Ogrodnik 2nd and the motion carried (read into the record by Commissioner Castonguay :) *that the Commission vacate its decision that the Toll Brothers program violates Connecticut General Statutes, Section 20-311(3) and Section 20-325 and Section 20-328-8a and find that there is no violation of said statutes as long as the homeowners have no role or activity in any home sale outside a basic referral that the homeowner can only refer to family and friends, and that the monetary gift will be paid by Toll Brothers, Inc., and not the real estate company; and paid outside the closing; and that it will have no effect on any commission; and that all participants will strictly follow the program requirements.*

That the Commission's finding is conditional, as the Commission reserves the right to review each future transaction in order to determine whether or not it conforms to the program requirements provided by Toll Brothers at the Commission hearings.

The Commission shall require Toll Brothers to enforce the program requirements and submit yearly reports to the Commission, due December 31st of each year, until further notice, describing in detail the previous eleven and a half (11 ½) month's transactions in which a monetary gift was given to a homeowner, including name and address of the homeowner, nature and amount of the gift, real property involved, circumstances surrounding the giving of the gift, name of the homebuyer, homebuyer's relationship to recommending homeowner, and the way the gift was paid.

Moreover, to remain in compliance with the Statutes, Toll Brothers shall not advertise the program as a solicitation. Toll Brothers shall comply with all applicable laws in this transaction, including RESPA. Finally, this Declaratory Ruling by the Commission applies only and strictly to the very specific requirements and conditions of the Toll Brothers program.

Commissioner Keating read the following into the record:

The Commission vacates its earlier decision and now finds that Toll Brothers program of providing a monetary gift of up to Three Thousand (\$3,000) Dollars to a Toll homeowner who has referred a successful buyer of a new Toll home in a Toll community does not violate Connecticut General Statutes, Section 20-311(3) and Section 20-325 and Section 20-328-8a, if the Toll program requirements with Commission reservations are strictly followed. In the near future, the Commission will issue a written Declaratory Ruling.

PSI Real Estate Exam Statistics

The Commission reviewed the Connecticut Real Estate exam statistics for January 1, 2011 through June 14, 2013. Examiner Michele Erling advised the Commission that the Department is planning a review of the Connecticut law portion of the examination in the fall of 2013 and that Commission members interested in becoming part of the review committee should contact Richard Hurlburt, Director of Occupational & Professional Licensing.

Public Act No. 13-272

An Act Requiring Working Smoke and Carbon Monoxide Detectors in Certain Residential Buildings At The Time Title Is Transferred

The Commission reviewed Public Act No.13-272 and requested that this matter be put on the agenda for the October 2, 2013 meeting for further discussion.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

Judith Johannsen commented that she was confused and surprised by the Commission's decision to grant a motion for reconsideration in the matter of Toll Brothers Inc., and the Commission responded to her questions concerning the sequence of events in this matter.

Laurence Hannafin shared his concerns relative to the Commission's decision to grant a motion for reconsideration, vacating the June 5, 2013 decision and rendering a new decision in the matter of Toll Brothers, Inc.

It was moved by Commissioner Ogradnik, Commissioner Vance 2nd, and the motion carried to adjourn the meeting at 10:00 a.m.

It was moved by Commissioner Ogradnik, Commissioner Castonguay 2nd, and the motion carried to reconvene the meeting at 10:05 a.m.

CHRO

Jayvell Washington, RES.795689

Mr. Washington appeared before the Commission with his sponsoring broker, Richard Nwadukwe. It was moved by Commissioner Vance, Commissioner Castonguay 2nd, and the motion carried to approve Mr. Washington to sit for the Real Estate Salesperson examination.

ADJOURNMENT

It was moved by Commissioner Ells, Commissioner Castonguay 2nd, and the motion carried to adjourn the meeting at 10:17 a.m.

Respectfully Submitted,

Robin Washbond
Commission Secretary

Note: The administrative functions of the Boards, Commissions and Councils are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division. For information contact Richard M. Hurlburt, Director at (860) 713-6135 or Fax: (860) 713-7230.

Agency Website: www.ct.gov/dcp Division E-Mail: DCP.OccupationalProfessional@ct.gov