



ARKANSAS

Real Estate Commission

N E W S L E T T E R

JULY 2001

Arkansas Real Estate Commission
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Members of the Commission

Mary Bassett, Chairman
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Tom D. Baxley, Vice Chairman
Benton

P. Q. Gardner
Monticello

Ina Martin
Russellville

Virgil L. Miller, Jr.
Little Rock

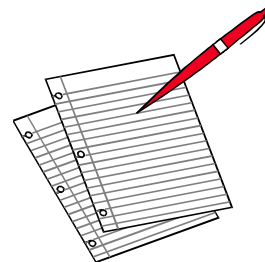
Commission Staff

Bill J. Williamson
Executive Director

Gary C. Isom
Deputy Executive Director

From the Desk of ...

The Executive Director



— 2001 LEGISLATION —

The following legislation was passed by the Legislature and signed into law by Governor Huckabee. If you would like a copy please send your written request to AREC.

Post-Licensure Education.

Act 748 authorizes the Commission to establish a post-licensure education requirement for individuals in their first year of licensure as a salesperson or broker. Beginning January 1, 2002, new salespersons and brokers will complete post-licensure education, not to exceed thirty (30) classroom hours within twelve (12) months after the license is issued. If the education is not completed within that twelve (12) month period, the license will be placed on inactive status until completed. This legislation was industry driven to help train new licensees entering the real estate business and new brokers. The post licensure education will be practical and job-related. Topics to be included for both new salespersons and brokers will include agency, real

estate contracts, and closing the transaction. Additional topics for new brokers will include management and supervision responsibilities as well as record keeping and trust accounts. This education will focus on problems that cause complaints and hearings. If you have ideas or suggestions of content to include in the post licensure education courses please let us know.

Ownership of a Real Estate Firm, Listings, & Temporary Operation.

Act 1172 reduces current practice to law. It clarifies that a person or other legal entity not licensed by the Commission may own a real estate firm provided the real estate activities are performed by employees or agents employed by or associated with the firm who hold Arkansas Real Estate Licenses. It clarifies that a real estate firm may enter into contracts only through a Principal Broker and any licensee employed by or associated with the Principal Broker. That the owner or legal entity of a real estate firm may sue for

compensation provided the real estate acts were performed through a Principal Broker. Lastly, it provides for the temporary operation of a real estate firm by a person approved by AREC in the event of death, resignation, termination, or incapacity of the Principal Broker, or closing of the real estate firm. These changes were a result of input from the real estate industry since the current law was not clear regarding whether a firm could contract and own agency contracts as a legal entity.

License Fees. Act 535 authorizes the Commission to increase license fees by \$10.00 if necessary. The Commission requested this authorization since current fees were at the maximum allowed by law. This increase would be necessary in the event that additional revenue was needed for unanticipated expenses that may occur in the future. However no fee increase is planned for the immediate time.

FORMAL Hearing DECISIONS

The following information is extracted from Findings of Fact, Conclusions of Law and Order which were issued for Hearings conducted by the Commission from January through April 2001. Formal Hearing Decisions that have been appealed are not listed.

Chandra L. Bullock, Principal Broker, Little Rock: In Formal Hearing #2017 the Commissioners ordered that "...Respondent Chandra L. Bullock's license is revoked immediately."

The Commission found Ms. Bullock guilty of violating Arkansas Code Ann. §17-42-309(a) & 17-42-311(a)(11) and Regulations 7.5(c), 9.2(b) and 10.7(c).

Ms. Bullock failed to maintain a place of business and display a permanently attached sign bearing the name under which she conducted her business.

Upon closing her office and ceasing to do business as a real estate broker, Ms. Bullock failed to notify the Commission of the address and phone number of the place where trust account and transaction records are being maintained.

Ms. Bullock failed to return her license and pocket card upon closing her office.

She failed to file a written answer to a Complaint filed by an individual.

Burma Martin, Principal Broker, North Little Rock: In Formal Hearing #2018 the Commissioners ordered that "...Respondent Burma

Martin's broker's license is revoked immediately."

The Commission found Ms. Martin guilty of violating Arkansas Code Ann. §17-42-309(a) & §17-42-311(a)(11) and Regulations 7.5(c) and 10.7(c).

Ms. Martin failed to maintain a place of business and display a permanently attached sign bearing the name under which she conducted her business.

Upon closing her office and ceasing to do business as a real estate broker, Ms. Martin failed to notify the Commission of the address and phone number of the place where trust account and transaction records were being maintained.

Ms. Martin failed to return her license and pocket card upon closing her office.

Grandle Gene Lair, Principal Broker, Harrison: In Formal Hearing #2019 the Commissioners ordered that "...Respondent Grandle Lair's broker's license is revoked immediately."

The Commission found Mr. Lair guilty of violating Arkansas Code Ann. §17-42-311(a)(3) & (11) and Regulation 10.16(a).

Mr. Lair did not report in writing to the Arkansas Real Estate Commission within thirty (30) days of his plea that he had plead guilty to a crime.

Mr. Lair plead guilty to a crime involving moral turpitude, fraud,

dishonesty, untruthfulness, or untrustworthiness.

Brian Keith Metcalf, Salesperson, Mena: In Formal Hearing #2022 the Commissioners ordered that "...Respondent Brian Metcalf's salesperson's license be revoked immediately."

The Commission found Mr. Metcalf guilty of violating Arkansas Code Ann. §17-42-302(a)(5) & (6), §17-42-311(a)(1), (2) & (7), and Regulation 10.16.

As a result of Mr. Metcalf's conduct, at the time of his application for a real estate license he did not possess a good reputation for honesty, truthfulness or integrity sufficient to safeguard the interests of the public and could not demonstrate that he had no record of unprofessional conduct.

As a result of his false answer to question 5 on his real estate license application and the Commission's issuing a license to him in reliance thereon without knowledge and investigation of his conduct, he obtained a real estate license by means of fraud, misrepresentation or concealment.

Mr. Metcalf's conduct involves moral turpitude, fraud, dishonesty, or untruthfulness.

He failed to submit a report of his guilty pleas to the Commission in conjunction with his license application.

Oops I Did It Again!

Problems Investigators see again and again that cause Complaints:

1. Lack of communication with buyers & sellers
2. Surprises during the transaction
3. Agreements not reduced to writing
4. Copies of signed contracts not provided
5. Client's interest not protected
6. Changes to contract not initialed
7. Contract requirements not followed-up
8. Terms of contract not explained
9. Property condition misrepresented
10. Self-dealing with no written disclosure

Education SCHOLARSHIPS!

The AREC Scholarship program offered from January - June 2001 was a tremendous success. All available Scholarships were utilized and licensees' comments indicated that very high-quality real estate education was being presented. AREC is pleased to tell you that education Scholarships will once again be available.

As an Active Arkansas Real Estate Licensee you can receive an educational Scholarship for up to \$35.00 to apply to the cost of any one of the six (6) classroom hour AREC Basic Broker or Salesperson Courses taken between July 1 and September 30, 2001 from an approved Scholarship course provider.

An application form to apply for Scholarship eligibility is included with this Newsletter. Schools that have been approved to teach the Scholarship courses are listed on the back side of the application form. Apply for a Scholarship as follows:

1. Immediately fill out the application form and return to AREC. ***FAX copies will not be accepted.*** Only a limited number of Scholarships are available and will be awarded on a first-come first-served basis.
2. After AREC returns your Scholarship eligibility, complete a qualified course between July 1 and September 30, 2001. Your Instructor will have forms available to redeem your Scholarship payment from AREC.

These classes are expected to fill quickly as class size is limited to approximately 45 students.

To obtain information about course offerings and schedules, contact the school directly. You can visit each school's website by clicking on "Educators' Links" at www.state.ar.us/arec/arecweb.html. Correspondence courses are not eligible for Scholarship.

If you have any questions please call Gary Isom or Nancy Nielsen at the Arkansas Real Estate Commission, or contact the approved school of your choice.

COURSE TOPICS MAY INCLUDE:

**Real Estate Contracts
From Contract to Closing
Office Management,
Policy & Procedures
Trust Account/
Transaction Files
Broker/Agent
Responsibilities
Agency Relationships &
Disclosure**

Number of Arkansas Licensees as of June 1, 2001

Active -----	8,267
Inactive -----	2,765
Total -----	11,032

ARKANSAS REAL ESTATE COMMISSION
612 SOUTH SUMMIT STREET
LITTLE ROCK AR 72201-4740

If you wish to have your name removed from this mailing list please write the Commission at the address above.

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Principal Broker's Self-Evaluation Guide

Drawing upon their years of experience in conducting office visits and reviews, the AREC Investigative staff is developing a self-evaluation guide for Principal Brokers and other persons with office oversight responsibilities. The guide will include items that are often reviewed and discussed during an office visit by an AREC Investigator.

If you have suggestions for content or if you would like to be on the mailing list to receive a copy when it is finished, please send a written request to Claudia Howard, Investigations Secretary, at the Commission office.

Inside This Issue

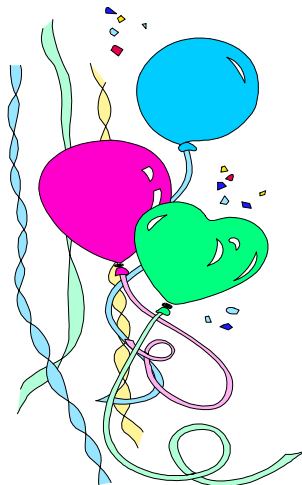
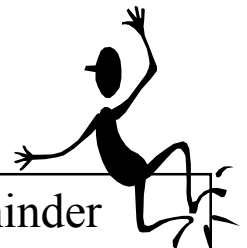
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Bea Williams, Assistant Secretary for Licensing, will retire June 30, 2001 after 28 years with the Commission.

She joined the Commission in 1973 as Secretary to the Director and backup to the Receptionist. She has answered many, many questions from

License Renewal Reminder

Renewal notices for 2002 Arkansas Real Estate Licenses will be in the mail soon. The deadline to renew your license for 2002 without penalty is September 30, 2001.



Happy Retirement to You!

licensees and the public over the years. Her knowledge and practical experience about Arkansas Real Estate License Law and Regulations and how it applies to real estate licensing will be missed by licensees and by the Commission.

Bea has many varied interests and is looking forward to spending a lot of time with her first grandchild, Lane Cochran, during her retirement.

Thank you Bea for your contribution to the AREC, the real estate industry, and the state. The Commissioners and staff of AREC wish you a long and happy retirement.