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# ARKANSAS REAL ESTATE COMMISSION

NEWSLETTER

WINTER 2025

## From the Executive Director



*Melissa L. Goff*

The holiday season is a time for reflection for the many blessings we have. Professionally, I am very thankful that I get to witness the good work of so many wonderful real estate licensees whose hard work promotes the industry in a positive light and maintains high ethical standards. Ensuring that both sellers and buyers end up with a satisfactory

transaction is always the ultimate goal. This is the part of my job that I love! It's a great source of pride when I hear someone brag about their wonderful real estate agent. So, to all of you who do exemplary work for and on behalf of your clients, thank you!

Every workday starts by reminding myself of the AREC mission to protect the public from harm in real estate activities. Knowing that an innocent, vulnerable Arkansan might be misled in a real estate transaction and witnessing disheartening cases before the Commission weighs on those of us who work on complaint cases every day. Property conditions, lack of broker supervision, property management, and contract issues continue to be the predominant complaints. At all times, when a complaint is filed, licensees are urged to work out the issues with the complainant before the matter makes its way to a hearing. In this issue of the AREC newsletter, Administrative Supervisor Deondra Gupton details the steps a licensee should take when a complaint has been filed against them.

Among the concerning trends that harm the public, problems with wholesaling and fraudulent sellers continue to lead the list. Commissioner Rittlemeyer wrote an excellent article (shown on page two) regarding wholesaling; I urge all of you to read it and consider the dangers involved in the practice. One of my counterparts in another state aptly described wholesaling in residential transactions as "equity theft."

Fraudulent sellers are also on the rise in harming property owners and buyers. I recently saw an article that estimated property buyers across the U.S. have lost over **a billion dollars** due to transactions from fraudulent sellers. Conversely, property owners experience significant hardships in attempting to undo the damage caused by such scams. There are many ways for licensees to protect themselves and buyers from seller fraud. The bottom line is to know and verify your seller to ensure they ARE the legitimate property owner.

Again, I want to thank all of you for the wonderful work you do and best wishes for a wonderful holiday season. *And don't forget your CE and renewal fees!*

— Melissa L. Goff, *Executive Director*

## The Dangers of Wholesale Real Estate Practices in Arkansas: Understanding the Risks

by Commissioner Tracey Rittelmeyer, MPA

As the real estate market continues to evolve, various investment strategies have gained popularity, with wholesaling real estate emerging as a prominent strategy. Far too often, this appears as an attractive pathway to profit from real estate without needing significant capital. Wholesaling practices in Arkansas require a deep understanding to navigate the risks. The purpose of this article is to delve into the dangers of wholesaling real estate practices in Arkansas. In particular, several possible areas dictate concern surrounding violations of state real estate laws, regulation, and compliance.

Wholesaling real estate generally involves one party (the wholesaler) entering into a contract to purchase a property, with the intent of selling that contract to another buyer for a profit. On the surface, this may appear straightforward. However, the complexities of real estate laws and regulations in Arkansas make it crucial for investors to approach these transactions with caution. Selling or marketing real property or negotiating the sale of real property for another party for compensation requires an active Arkansas Real Estate License. Conducting these activities without an Arkansas Real Estate License can lead to a violation of Arkansas law.

Arkansas law mandates that anyone who engages in real estate transactions on behalf of another for compensation must hold a valid real estate license. Wholesalers often navigate the grey areas of these requirements, with some believing they can operate without a license as long as the seller of the property gives permission. This misconception can lead to serious legal repercussions, including fines, penalties, and potential civil lawsuits from misled parties.

Furthermore, the lack of transparency in wholesale transactions often presents a host of ethical dilemmas. Many wholesalers aim to acquire properties below market value, often from motivated sellers who may not fully understand the implications of selling to someone lacking real estate expertise. This can result in exploitative practices that harm vulnerable property owners, and failing to disclose intentions paves the way to claims of fraud or misrepresentation.

“Unlicensed individuals continue to prey upon Arkansas residents and property owners as wholesaling

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**“Unlicensed individuals continue to prey upon Arkansas residents and property owners as wholesaling activities increase.”**

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— Melissa Goff, Arkansas Real Estate Commission Executive Director

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activities increase. This disturbing practice negatively targets some of Arkansas’s most vulnerable residents through misrepresentation, unethical, and predatory practices, resulting in financial loss. This practice is high on the radar of the Arkansas Real Estate Commission, and any “wholesaler” or licensee who harms the public through this activity may face severe consequences,” said Melissa Goff, Arkansas Real Estate Commission Executive Director.

Licensed Arkansas real estate professionals must proceed with caution if they are approached to list a property for a wholesaler. Oftentimes, wholesalers will seek out new or inexperienced licensees to handle the transaction for them, and a principal broker may not become aware of the transaction until an AREC complaint has been filed, or civil action occurs. In all cases, a licensed real estate agent should make sure they are working with the actual owner of the property or their legal representative. If an agent is unsure that the listing party has the authority to sell the property, the agent should seek guidance from their principal broker or attorney. If a buyer’s agent believes that a property is being listed by a wholesaler, they should contact their principal broker or the principal broker of the listing firm for more information. Buyers who enter into a contract with a wholesaler may discover the wholesaler does not have the ability to provide clear title.

Additionally, real estate professionals must adhere to specific regulations set by the Arkansas Real Estate Commission. Working with wholesalers might inadvertently lead them into situations that could be perceived as unethical or outside their licensed scope. Licensed real estate agents who list property for an

## The Dangers of Wholesale Real Estate Practices in Arkansas: Understanding the Risks *continued*

unlicensed wholesaler may face serious disciplinary sanctions including fines, suspension, and even license revocation.

Navigating these relationships thoughtfully and ensuring compliance with all real estate laws is crucial for real estate professionals to protect themselves and their clients. It is always wise to consult with legal or regulatory experts when in doubt. Organizations like the ARELLO® have hosted forums and in-depth sessions to address the dangers of wholesaling. Such exchange offers pertinent resources for states facing the

wholesaling dilemma.

In conclusion, understanding the regulations governing real estate transactions remains imperative to avoid violating laws, rules, and regulations. Such mandates protect vulnerable sellers and maintain ethical standards in the industry. Information, guidance, and application of responsible practices will help Arkansans succeed in their real estate ventures. Moreover, it contributes to a healthier, more transparent real estate market overall.

## Deputy Director Heather Henries Elected to ARELLO® Board of Directors

Now entering her second year as Deputy Director of the Arkansas Real Estate Commission, and her 15th year overall with the agency, Heather Henries has extended the reach of her leadership with a seat on the Board of Directors of the Association of Real Estate License Law Officials, more commonly known as ARELLO®.

Ms. Henries has been a member of the ARELLO® organization for more than 11 years, beginning with her promotion to Education Specialist of the AREC in 2013. Led by elected members serving in a volunteer capacity, the twelve-member board works to support the mission and vision of the national organization whose purpose is to “facilitate excellence in real estate regulation to protect the public interest.”

“I look forward to serving in the broader regulatory landscape.” Henries said. “ARELLO® has long been a resource for right-pace regulation and an opportunity for the Arkansas Real Estate Commission to engage with our partners in the industry.”

Executive Director Melissa Goff remarked that, “...we couldn’t be more pleased or proud to have our own Deputy Director serving on such an important Board, whose work directly supports the goals of our own Commission in serving the residents of Arkansas.”

Ms. Henries’ term begins January 2026 and runs through 2028.

The AREC has long involved strong connections with ARELLO®, including those developed by former AREC Executive Director and ARELLO® past President Gary Isom, who was instrumental in improving regulation of the Time Share industry. From its original organization in 1930 to its current activities in the United States and other countries, ARELLO® has grown and expanded at a steady pace keeping up to date with the issues, concerns, and trends within the industry and striving to meet the future needs of governmental groups, professionals, and consumers.



Heather Henries

## How to Properly Respond to an AREC Complaint

When a complaint investigation is initiated by the Arkansas Real Estate Commission (AREC), a copy of the complaint is mailed to the Respondent(s) named in the complaint. It is required that Respondent(s) submit a written answer to the complaint within twenty (20) days and submit that response to the AREC.

AREC Commission Rule 9.2(b) states, "Within twenty (20) days after service of the complaint on the licensee or person allegedly engaged in unlicensed real estate activity, such licensee or person allegedly engaged in unlicensed real estate activity shall file a written answer with the director. The answer shall be dated and shall be signed by the licensee or person allegedly engaged in unlicensed real estate activity under oath."

An answer to a complaint should include a narrative statement from the Respondent(s) regarding what occurred during the transaction. When submitting an answer, it is essential to include all records relevant to the complaint, as well as the complete transaction file.

This includes contracts, addenda, agency agreements, advertising or MLS information, and financial records related to the transaction. Respondents should also include certificates of authenticity for all e-signed documents.

Providing the answer and full transaction file enables the Commission to review and triage cases more efficiently, which assists in reducing the current case backlog. Please be advised that our office cannot provide guidance regarding how to respond to the complaint; however, our Investigations Department is available to assist you throughout the complaint process. Commission Rule 10.7(b) provides a list of documents that must be retained in transaction files.

— Deondra Gupton, *Administrative Supervisor*

For questions, please contact  
[arec.investigation@arkansas.gov](mailto:arec.investigation@arkansas.gov)



The AREC staff and commission would like to congratulate Commissioner Tracey Rittelmeyer on recently being appointed to serve on the Program Committee for the ARELLO® organization. Her term will begin on January 1, 2026. The ARELLO® Program Committee serves to shape conference agendas to ensure that ARELLO® events align with the organization's mission of regulatory excellence, training, and member education.

## AREC Staff Updates



**Linda Alkire** recently retired from the AREC after fifteen years of service to the Commission. Ms. Alkire has been a dedicated, valued employee and her loyalty and contributions to AREC will be missed.

**Deondra Gupton** has been promoted to Administrative Supervisor. She previously held the title of Investigator III. Ms. Gupton will supervise the AREC Investigations Team.

**Mason Murphey** and **Kathryn "KJ" Stone** have joined the AREC as Investigators. Mr. Murphey came to the AREC from the Arkansas Department of Labor and Licensing. Ms. Stone is in her final

year at the William H. Bowen School of Law.

**Grant Zaragoza** has joined the AREC as the Licensing Coordinator. He is responsible for processing new license applications and background checks.

**Brittney Gaston** came to the AREC from the Arkansas Department of Health. Ms. Gaston is responsible for processing license transfers, activations, license histories, and various licensing updates.

**John Dorey** was recently hired to work for the AREC in the IT division. Mr. Dorey has a wide range of experience in the IT field and will be responsible for AREC Information Systems.

## AREC Legislative Updates

Three pieces of key legislation were passed by the 2025 Arkansas General Assembly that will require updates to the AREC Rules. As of the publication of this newsletter, the proposed rules are being reviewed by the Governor. After the Governor's review, the proposed rule updates will be published on the AREC website, and a public hearing date will be set for public comment. The three pieces of legislation that will be addressed in the rule updates are as follows:

- 1 Act 392 of 2025 establishes a property management broker license and a property management associate license. Not only does this act establish these two new AREC property management licenses, but the act also requires that pre-license, post-license, and continuing education courses be developed that are specific to property management licensing. In addition, examinations for these two licenses will be developed.
- 2 Act 559 of 2025 allows for licensees that are seventy-two (72) years old or older to be exempt from taking continuing education when certain requirements are met. Salespersons and associate brokers must have had an active real estate license for twenty-five (25) consecutive years or more and must not have had any disciplinary action or been delinquent in completing annual continuing education for the past five (5) years. Principal and executive brokers must also have met those criteria AND have had no licensees with their firm who have had any disciplinary action or been delinquent in completing continuing education for the past five (5) years.
- 3 Act 835 of 2025 clarifies dual agency and specifies when the disclosure of confidential information may be limited when that information may materially compromise the negotiating position of the client.

Check the AREC website at [www.AREC.Arkansas.gov](http://www.AREC.Arkansas.gov) for information and updates.

## AdAlert Reviews and Citations

The AdAlert Reporting and Citation Program was initiated by AREC on July 1, 2025. Since that time, almost 100 citations have been issued for advertising violations.

When an AdAlert submission is received, it is reviewed for three main elements to determine compliance. The first is the full firm name, which must be prominent and easily identifiable. A team name cannot replace the firm name. The second is a way to contact the firm directly, as opposed to the agent who is advertising. This is achieved by including the firm website, firm office phone number, or the firm office address. The third element involves confirmation of whether the firm has permission to advertise the property. Compliance is verified using pictures provided in AdAlert submissions, reviewing social media accounts, and reviewing agent websites.

After receiving a citation, the licensee has 30 days to either dispute it (via the Citation Dispute Form on the AREC website) or correct the ad and pay the fine. Payments to the AREC can be made by personal or business check, cashier's check, or money order and must be sent with a signed copy of the citation.

Failure to respond to a citation within 30 days may result in formal disciplinary action before the Commission. Unlike a citation, formal disciplinary actions become a permanent part of the licensee's file and are reported in the AREC newsletter, published on the AREC website, and permanently shown on the license history, which may impact licensure in other states.

— KJ Stone, *Investigator*

## DISCIPLINARY ACTIONS

### **FH: 3736 Formal Action Date: 4/8/2025**

**Respondent:** Charles Clifton

**Violations:** §§ 17-42-311(a)(2), 17-42-316(b)(1) and Commission Rule 8.5(a)

**Sanctions:** Education - 6 hours Contracts to Closings, \$1,500 civil penalty

**Synopsis:** Respondent failed to ensure the Seller Property Disclosure was provided to the Buyers or Buyers' Agent in accordance with the contract.

### **FH: 3897 Formal Action Date: 6/10/2025**

**Respondent:** Homer Mason - Unlicensed

**Violations:** §§ 17-42-105(a)(1) and 17-42-109

**Sanctions:** \$5,000 civil penalty

**Synopsis:** Respondent engaged in unlicensed real estate activities. Respondent entered into an Agreement to Sell Real Estate to purchase the subject property. The agreement indicated that the Respondent would have equitable interest in the property and have the right to market the property "in anyway Buyer deems fit;" Respondent also presented the Sellers with an Affidavit and Memorandum which allowed the original agreement to be filed with the county clerk. When the Sellers terminated the original agreement, the Respondent filed the memorandum with the county clerk therefore clouding the title.

### **FH: 3919 Formal Action Date: 8/12/2025**

**Respondent:** Tommy D. Hendrix-Brown

**Violations:** §§ 17-42-311(a)(1), (2), (4), (7), (8), (11), (13) and Commission Rules 8.5(a),(c),(d)

**Sanctions:** License revocation, \$3,000 civil penalty

**Synopsis:** Respondent engaged in activities as both a real estate broker and a mortgage broker on the same transactions without notifying his clients of compensation by multiple parties.

### **FH: 3941 Formal Action Date: 6/9/2025**

**Respondent:** Jeremy D. Hakimi

**Violations:** §§ 17-42-311(a)(2), and (7)

**Sanctions:** Education - 30 hours Broker Post License Course; \$500 civil penalty

**Synopsis:** Respondent entered into a consent agreement with the Massachusetts Board of Registration of Real Estate Brokers and Salespersons.

### **FH: 3947 Formal Action Date: 1/13/2025**

**Respondent:** Chloe N. Wolfe

**Violations:** § 17-42-311(a)(2) and Commission Rule 10.16(a)

**Sanctions:** \$750 civil penalty

**Synopsis:** Respondent failed to notify the Commission of a guilty plea for a charge other than a traffic violation.

### **FH: 3958 Formal Action Date: 7/7/2025**

**Respondent:** Christopher T. Ayers

**Violations:** § 17-42-311(a)(2) and Commission Rule 10.16(a)

**Sanctions:** \$500 civil penalty; Education - 18 hours Salesperson Post License Course

**Synopsis:** Respondent failed to notify the Commission of a guilty plea for a charge other than a traffic violation.

### **FH: 3962 Formal Action Date: 6/9/2025**

**Respondent:** Mika L. McKinney

**Violations:** § 17-42-311(a)(2) and Commission Rule 10.16(a)

**Sanctions:** \$500 civil penalty

**Synopsis:** Respondent failed to notify the Commission of a guilty plea for a charge other than a traffic violation.

### **FH: 3963 Formal Action Date: 4/7/2025**

**Respondent:** Stephanie Nagle

**Violations:** § 17-42-311(a)(2), and (3)

**Sanctions:** License suspension for 90 days and two years of probation; Education - 18 hours Salesperson Post License Course; \$2,000 civil penalty

**Synopsis:** Respondent pleaded guilty to a felony listed under § 17-3-102 for a crime involving violence.

**FH: 3973 Formal Action Date: 6/10/2025****Respondent:** Ralph M. Harvey III**Violations:** § 17-42-311(a)(2) and Commission Rules 6.2(c) and 10.16(b)**Sanctions:** Letter of reprimand; \$1,500 civil penalty**Synopsis:** Respondent failed to notify the Commission of a disciplinary action against a professional license and practiced real estate while his license was inactive.**FH: 3976 Formal Action Date: 7/7/2025****Respondent:** Bryson C. Bradley**Violations:** § 17-42-311(a)(2) and Commission Rule 10.16(b)**Sanctions:** License revocation**Synopsis:** Respondent failed to notify the Commission of a revocation of a professional license.**FH: 3983 Formal Action Date: 8/12/2025****Respondent:** Kevan W. Moore**Violations:** § 17-42-311(a)(2),(4),(11) and Commission Rule 10.16(a)**Sanctions:** Two years probation; Education - 18 hours Salesperson Post License Course; \$700 civil penalty**Synopsis:** Respondent failed to notify the Commission of a revocation of a professional license.**FH: 3968 Formal Action Date: 6/9/2025****Respondent:** Kevin D. Dunham**Violations:** § 17-42-311(a)(2) and Commission Rule 10.16(a)**Sanctions:** \$500 civil penalty**Synopsis:** Respondent failed to notify the Commission of a guilty plea for a charge other than a traffic violation.**FH: 3987 Formal Action Date: 9/8/2025****Respondent:** Sarah Lynn Barton**Violations:** § 17-42-311(a)(2), (6), (7), (11), (13), 17-42-316(b)(1), 17-42-316(b)(2)(B), and Commission Rule 8.5(a)**Sanctions:** Education - 60 Broker Pre-license Course; \$3,000 civil penalty; License reduced to associate broker and must reapply and take the exam to become a managing broker.**Respondent:** Ben Israel**Violations:** § 17-42-311(a)(2), 17-42-316(b)(1), 17-42-316(b)(2)(B), and Commission Rule 8.5(a) and 10.4(b)**Sanctions:** Education - 18 hours Salesperson Post License Course; \$500 civil penalty**Synopsis:** Respondent Agent failed to account for funds charged to her seller client for repairs and work completed at the subject property. Respondent received funds at closing in excess of the agreed amount. Respondent Broker failed to properly supervise his agent in the representation of the Seller client.**FH: 3991 Formal Action Date: 9/8/2025****Respondent:** Mary Story - Unlicensed**Violations:** § 17-42-105(a)(2)(B), 17-42-311(a)(2)**Sanctions:** \$5,000 civil penalty**Respondent:** Cyndee Hull**Violations:** § 17-42-311(a)(2), (5), (6), (7), (13), 17-42-316(b)(1), 17-42-316(b)(2)(I) and Commission Rule 8.5(a), 10.8(b), 10.9(c)(2)**Sanctions:** License revocation, \$11,000 civil penalty**Synopsis:** Respondent Story - unlicensed and Principal Broker Hull represented complainant in the purchase of a poultry farm. After wiring \$30,000 as earnest money to the real estate firm, the property was found to not be sufficient for the proposed usage and the contract was terminated. The Complainant Buyers did not receive the return of their funds from the firm until three years after the termination of the contract.**FH: 3992 Formal Action Date: 9/8/2025****Respondent:** Mary Story - Unlicensed**Violations:** § 17-42-105(a)(2)(B), 17-42-311(a)(2)**Sanctions:** \$5,000 civil penalty**Respondent:** Cyndee Hull**Violations:** § 17-42-311(a)(2), (5), (6), (7), (13), 17-42-316(b)(1), 17-42-316(b)(2)(I) and Commission Rule 8.5(a), 10.8(b), 10.9(c)(2)**Sanctions:** License revocation, \$11,000 civil penalty**Synopsis:** Respondent Story - unlicensed and Principal Broker Hull represented complainant in the purchase of a poultry farm. After wiring \$42,500 as earnest money to the real estate firm, the property was found to not be sufficient for the proposed usage and the contract was terminated. The Complainant Buyers did not receive the return of their funds from the firm until three years after the termination of the contract.

Arkansas Real Estate Commission  
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# Reminder

## 2025 RENEWAL FEE AND CE DUE DECEMBER 31, 2025!

Email certificates of completion to [areclit@arkansas.gov](mailto:areclit@arkansas.gov) before the end of 12/31/25.

**Check your Renewal status:**

- 1) [www.Arec.Arkansas.gov](http://www.Arec.Arkansas.gov)
- 2) Click on “Search for a Licensed Agent” (under “AREC QUICK LINKS”)

**CE for Salespersons:**

- 1) 3-hour Agency Representation and Compensation\*
- 2) 1-hour Safety
- 3) 3-hour Elective\*

**CE for Brokers:**

- 1) 3-hour Broker Supervision and Agency\*
- 2) 1-hour Safety
- 3) 3-hour Elective\*

**IMPORTANT NOTE:** It is the licensee’s responsibility to ensure CE is reported to AREC by the deadline.

\*Brokers will not receive credit for the required salespersons’ course; salespersons will not receive credit for the required brokers’ course. Check your status online or contact Heidi Saliba at [Heidi.Saliba@arkansas.gov](mailto:Heidi.Saliba@arkansas.gov) with any questions.

SCAN  
to Renew

