NEW COMMISSIONER APPOINTED

Cliff Goodin of Russellville was appointed by Governor Huckabee to serve a three-year term on the Arkansas Real Estate Commission beginning January 2006.

Cliff has been active in real estate sales and as a commercial and residential developer for over 30 years. Since 1981 Cliff has owned and managed Cliff Goodin and Associates, REALTORS® in Russellville, Arkansas.

Cliff has served on the state level with the Arkansas REALTORS® Association as past President, 1998 Arkansas REALTOR® of the Year, chaired and served on numerous committees, and currently is a member of the Board of Directors. Cliff has also served as a Director and Chairman of the Arkansas Real Estate Foundation, and as a State Director of the Arkansas Home Builders Association.

On the national level Cliff is a Director of the National REALTORS® Association and a member of the Public Policy Coordinating and Federal Housing Policy Committees.

Cliff has been active in his community and served as President of the Russellville Board of REALTORS®, past President of the Arkansas Valley River Home Builders Association, on the City of Russellville Blue Ribbon Committee, was past Chairman of the Board of City Corporation (2004), Chairman of Board Russellville Chamber of Commerce (1997) and was honored as Russellville Citizen of the Year in 2000.

Cliff currently serves on the Arkansas Valley Alliance for Economic Development, Council of Professionals of Arkansas Tech University Foundation Board, and Advisory Committee of Russellville High School.

Cliff is married to Sara Lou Goodin (who holds an Arkansas Salesperson license) and they have two daughters, Gaye Croom and Julie Oxendine, two granddaughters, Libby Croom and Meagan Oxendine and two grandsons, Tripp Croom and Harrison Oxendine.
From the Executive Director
Bill J. Williamson

REPORT TRUST ACCOUNT CHANGES

Regulation 10.8(e) requires a Principal Broker to submit to AREC in writing the following information about the firm’s trust account:

(1) Name and number of account.
(2) Name and address of the bank.
(3) Date the account was opened.

If any of the above information changes about the firm’s trust account, such as the bank name changes, the Principal Broker must notify AREC in writing regarding the change.

If the above information previously submitted to AREC about the firm’s trust account has changed, contact the AREC for a “Trust Account Information” form to update the information on file. (AREC Web Site www.arkansas.gov/arec and Click on “AREC Forms”)

AREC STAFF MEMBERS

The Commission would like to welcome the following new staff members. Investigator Tracy Glenn, Accountant Norma Bland, Administrative Assistant Kris Lasker, Receptionist Beth Johnson, and Secretary TaCarla Arnold.

AREC SCHOLARSHIPS FOR BROKERS
By Gary C. Isom

WHAT WE HAVE HERE - IS A FAILURE TO EDUCATE

However, where on the road of education has the failure manifested itself, at the starting point, or at the finish line? When the Warden used a similar phrase to address communication problems with Paul Newman in Cool Hand Luke, I doubt seriously that the Warden faulted himself with any blame for the delivery of the message being communicated. To the contrary, he most certainly considered that the message just wasn’t being received in the spirit in which it was sent.

A group of Arkansas salespersons, brokers and educators recently assembled at the real estate commission to discuss real estate education. The overwhelming conclusion of the participants was that Arkansas has many supervising brokers who aren’t really committed to education, either for themselves or for those

See AREC Scholarships for Brokers - Page 4

AREC Chairman Doug Smith’s Perspective

It has been a great privilege for me to serve these past two years as an industry member of the Arkansas Real Estate Commission. I have served under the leadership of two notable, dedicated chairmen—Chairman Mary Bassett, who served six years as an AREC commissioner with two terms as chair and Chairman Debbie Rawls, who will serve as the 2007 President of the Arkansas REALTORS Association. I have learned a great deal from both of them. This year, I am fortunate to work with our able, knowledgeable consumer members—Ina Martin and Sylvester Smith, III. Their questions and insight help all of the Commissioners better understand the details and nuisances of the case before us. The history, knowledge and real estate business acumen of both Vice-chair Roy Rainey, Jr. and newest industry member Cliff Gooden is formative and invaluable. I am honored to have this opportunity to serve with such outstanding leaders in our industry.

From my very first review of an appeal before the AREC in January, 2004 to our recent review of the facts of a case in January 2006 there is one trend that I have noticed in the real estate business: ARKANSAS REAL ESTATE AGENTS ARE VERY BUSY! A recent article in the Arkansas Democrat Gazette stated that Arkansas outpaced every other state in the country in existing-home sales. I know that this

will not be a surprise to any readers of this paragraph!! And many will say, “Doug, you do not need to be a rocket scientist to come to this conclusion!” However, there is somewhat of a natural progression when an agent becomes very busy. Benjamin Franklin put it this way: “Haste makes waste!” At least I have always heard that Franklin said it that way. What I have seen in many of the cases and hearings before the Commission may not be reasons to lose your ability to represent Buyers and Sellers in Arkansas. However, they are reasons to squander valuable time in response to a complaint or lose many hours in a formal hearing—not to mention the embarrassment and heartache of sanctions from the AREC.

My advice to real estate agents including myself: SLOW DOWN! THINK! REMEMBER WHO IS THE MOST IMPORTANT PARTY TO THIS CONTRACT! Think before you say, “My seller has cancer and must sell immediately at any price!” Did you ever stop to think about giving feedback to the listing agent when you are working for the buyer? Have you hurt or weakened the Buyer’s position when you have answered a listing agents request for feedback with, “They really loved the place!” A Seller’s Agent may immediately forward any feedback to the Seller which could affect your Buyer’s negotiating position. The Commission heard a recent case where a licensed agent sold a home that he bought at auction to an individual without even suggesting that an inspection would be important. It appeared as if he was taking care of himself and not the buyer, whom he “stated” he also represented. Just recently we reviewed a case where the term “more or less” was represented. Just recently we reviewed a case where the term “more or less” was placed in the contract for a home and five acres by an agent representing a Buyer. Because the property was a rectangle, some simple arithmetic by the agent would have shown the property was substantially less than five acres. This resulted in a complaint filed by the buyer alleging that the Buyer’s agent did not represent the buyer’s best interest.

These errors in judgment are not intentional but are the result of being too hasty and not taking the time to remember who you represent. Many of the licensees we see at AREC hearings are seasoned agents who were just a little too busy! They did not take the time to follow through and protect the client’s interest. My advice, as a Commissioner, is to slow down and remember who you are working for in each transaction, put your client’s interest first, and hopefully you will not have to be invited to a Commission Hearing party. LAISSEZ LES BON TEMPS ROULEZ!

March 2006
commission or buyer’s premium of any amount, the July 21, 2003 Settlement Statement charged Complainant with a $13,900 commission and failed to charge any commission to the seller.

Respondent Hemmer, as principal broker and agent for both buyer and seller, knew or should have known that Complainant had tendered a $13,900 check to Respondent Over following the auction, but failed to supervise Respondent Over by requiring him to deliver the check or proceeds thereof to her to be deposited into Respondent Hemmer’s trust account as required by Commission Regulation 10.7(a)(1).

After Complainant’s attorney notified Respondent Hemmer of the unauthorized $13,900 commission erroneously charged to Complainant at closing, Respondent took no action to cause Complainant to be paid the balance of the unauthorized commission charge remaining after Seller paid to Complainant the seller’s 6% commission.

The Commission ordered that “...Respondent Charles (Chad) Over’s real estate license is revoked.”

The Commission found Respondent Over guilty of violating Arkansas Code Annotated §17-42-311(a)(6) and Commission Regulation 6.3(b).

Respondent Over practiced real estate while holding an expired real estate license.

Respondent Over failed to account for or remit funds in his possession that belonged to Complainant. Respondent Over received Seller’s $13,900 payment, 10% of the purchase price, on her purchase of the subject property. Thereafter, after receiving notice that Complainant had erroneously been charged a 10% commission at closing, he failed to remit or account to Complainant within a reasonable time for the balance of that charge, after seller had paid her 6% commission to Complainant.

A Recovery Fund was held. Pursuant to Arkansas Code Annotated § 17-42-401 et seq., the Commission ordered Respondent Hemmer to pay Complainant $549.00, within thirty (30) days of the issuance of the Commission’s written Order. The Commission ordered Respondent Over to pay Complainant $1,283.50, within thirty (30) days of the issuance of the Commission’s written Order.
Formal Hearing Decisions
Continued from Page 3

Terri L. Summers, Salesperson, Bryant - continued:

Respondent may be affiliated, within three days after becoming affiliated with that principal broker, during the two years immediately following the date of this Order.”

The Commission found Ms. Summers guilty of violating Arkansas Code Annotated § 17-42-311(a)(3) and Commission Regulation 10.16.

Respondent’s guilty plea to and convictions of violations of Arkansas Hot Check Law as set forth in the order are convictions of a crime involving moral turpitude, fraud, dishonesty, untruthfulness, or untrustworthiness.

Respondent Summers did not notify the Arkansas Real Estate Commission of the convictions set forth in the order.

Respondent’s plea of nolo contendere to violation of Arkansas Hot Check Law as set forth in the order constitutes a conviction of a crime involving moral turpitude, fraud, dishonesty, untruthfulness, or untrustworthiness.

Elmer Watkins, Broker, Jonesboro:

In Formal Hearing # 3010 the Commission ordered that “…Respondent Watkins’ Broker’s expired license is hereby revoked immediately.”

The Commission found Mr. Watkins guilty of violating Arkansas Code Annotated § 17-42-311(a)(2) and Commission Regulation 7.5(c), 8.1, 8.3, 8.5(a), 10.7(c), 10.9(d), 10.10(c), 10.16(a).

Respondent Watkins did not protect and promote the interest of his client/Complainant. Respondent delivered the warranty deed executed by Complainant to buyer when he knew that the conditions for delivery of the deeds stated in the April 2001 Escrow Agreement had not occurred.

Respondent failed to provide the buyer written notice of his agency relationship with Complainant or, if dual agency existed, he failed to make disclosure in writing to both the Complainant and buyer and obtain their written consent to such dual representation.

Respondent did not report his criminal conviction of August 15, 2001 in State v. Watkins, Independence County Circuit Court, Case No. CR. 2001-210, Respondent entered a guilty plea to obstructing governmental operations, a Class C misdemeanor.

Respondent did not notify the Commission of the place where he was to maintain his firm’s real estate records.

Upon closing his real estate office in 2004, but did not notify the Commission of the address and phone number of the place where he was to maintain his firm’s real estate records.

Responsibility or “Real Estate Policies and Procedures.” There will be a limited number of scholarships available, which will be granted on a first-come, first-served basis. Brokers do NOT need to apply for the scholarship or be approved in advance. Scholarships will be awarded based upon the course rosters furnished to AREC by course providers qualified to offer the courses for scholarship.

More details will be mailed to each Principal Broker at their place of business in early March 2006. Please ask your Principal Broker for a copy of the information from which you can choose the qualified provider of your choice and contact them to enroll.