



# ARKANSAS REAL ESTATE COMMISSION NEWSLETTER

## Governor Names Dee Holcomb & Bob Walker As New AREC Commissioners

At the January 2017 Business Meeting, the Commissioners elected Doyle Yates to serve as Chair, and Tony Moore to serve as Vice Chair to the Arkansas Real Estate Commission.

The Commission is also pleased to announce that Governor Asa Hutchinson has appointed two new members to the Arkansas Real Estate Commission for three-year terms beginning January 2017. Commissioner Jessica “Dee” Holcomb was appointed to one of our consumer positions while Commissioner Robert “Bob” Walker was appointed as a representative from the real estate industry.



Dee Holcomb brings diversified skill-set to the Commission with her background in public relations, account development, organizational sales management, budget skills and strategic growth in the banking and insurance industries. She is currently an experienced Agent with Shelter Insurance Companies, where she has been since 2014.

She held various positions before Shelter Insurance such as Consumer Banking Officer and Official Securities Transfer Agent with Simmons First National Bank and Agency Field Specialist for State Farm Corp where she traveled the state working with 38 agents. She then served as Assistant Chief of Pages to the 89th Arkansas General Assembly in 2013 and currently serves on the Southeast Arkansas College

Board of Trustees.

Commissioner Holcomb was Director of Simmons Bank Classic Club (2007-2009), and named Shelter Insurance’s Agent of the Year in 2015. She holds a Bachelor of Science in Marketing from Ashworth College in Atlanta, GA, an Arkansas Resident Producer License: CAS., LI.,PROP.,SUR.,AHS, and a Registered Residential Appraiser’s License from Arkansas State University’s Center for Economic Development.

Dee Holcomb is married to Arkansas House District 10 Representative Mike Holcomb and has served as his campaign manager for the past 15 years.



Bob Walker has held an Arkansas Real Estate license for over 40 years in the Central Arkansas area and has held a Broker’s license most of that time. He is currently the Managing Broker of the Coldwell Banker RPM Group office in North Little Rock, was the 2009 President of the Arkansas Realtors Association (having been a member of numerous Committees in the Association), and serves the National Association of Realtors on its Board of Directors.

Commissioner Walker also holds an Associate Instructors license from the Real Estate Commission. Education is his passion, and he feels that it is his duty to share the experiences he has had in Real Estate along the way.

March 2017

### Arkansas Real Estate Commission

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### Members of the Commission

Doyle Yates, Chair  
Springdale

Tony Moore, Vice Chair  
Russellville

Linda Prunty  
Jonesboro

Bob Walker  
Jacksonville

Dee Holcomb  
Pine Bluff

### Commission Staff

Gary C. Isom  
Executive Director

Andrea S. Alford  
Deputy Executive Director

Yvonne Halstead  
AREC Supervisor

# *Continuing Education Times Are A-Changin'*

*by Kortney Hinton, Education and Instruction Specialist*

As of January 1, 2017, the annual continuing education requirement has been increased to 7 hours with 1 hour required on the topic of personal safety in the real estate marketplace. You can view the [list of instructors approved to offer this 1-hour course here](#).

Supervising brokers (Executive and Principal Brokers) are also required to complete the 3-hour Mandatory Supervising Broker course. The [list of instructors approved to offer this course is here](#).

Here are some frequently asked questions about the CE changes that come across my desk:

**“I’m an Executive Broker. Do the new requirements mean I have to take 10 hours of CE this year?”**

No. Only 7 hours of CE are due for all licensees beginning this year. As a supervising broker, your CE transcript might look like this:

- 1 hour – Safety
- 3 hours – Mandatory Supervising Broker course
- 3 hours – Property Management (or any other approved topic of your choosing)

A salesperson’s CE transcript might look like this:

- 1 hour – Safety
- 6 hours – Real Estate Contracts (or any other approved topic of their choosing)

**“I’m an Associate Broker – am I required to take the Mandatory Supervising Broker course?”**

No. As an AB, you are not a broker with supervisory responsibilities and are not required to take the Mandatory Supervising Broker course. As a broker, however, you are eligible to complete the course and receive continuing education credit for it.

**“I’m a Principal Broker with no agents in my firm. Am I still required to take the Mandatory Supervising Broker course?”**

Yes. Your license status gives you the ability to supervise. This qualifies you to meet the requirement of completing the Mandatory Supervising Broker course, regardless of your firm size.

**“I’m a Salesperson and am considering becoming a broker some day. Can I sit for the Mandatory Supervising Broker course?”**

No. Only current brokers are eligible to sit for the The Mandatory Supervising Broker course as well as receive CE credit for it. Salespersons are not allowed to sit for this course, nor will they receive CE credit for it if they do.

**“I don’t understand why there are changes in our CE requirements at all. What’s this all about?”**

With rising concerns about agent and consumer safety, the Commission feels ongoing education specifically in this area is vital.

Due to several roundtable discussions held last year with brokers, educators, and other industry members from all over the state, the consensus was that not only the focus on safety in the real estate marketplace was needed, but also broker-specific education, as supervising brokers hold responsibility for consumers and their licensees.

*If you have any questions regarding these changes, please feel free to contact us at (501)683-8010.*



## FORMAL HEARING DECISIONS

The following information is extracted from Findings of Fact, Conclusions of Law and Order, and Consent Orders issued by the Commission from May 2015 through January 2016. Formal Hearing Decisions that have been appealed are not listed.



**Respondent:** John Sullivan, Principal Broker, EXP Realty, LLC, Bentonville, Arkansas, Formal Consent Order, Formal Hearing 3383. (October 6, 2014)

**Violation(s):** A.C.A. §17-42-311(a)(2), 17-42-311(a)(6) and 17-42-311(a)(11); Commission Regulations 8.5(a) and 10.8(b).

**Sanctions:** Respondent John Sullivan's broker license is revoked.

As Principal Broker of EXP Realty, LLC, Respondent's primary business activity was property management.

Respondent commingled rents and security deposits belonging to property owners and tenants with his personal funds. Respondent collected rent and security deposits while managing properties and used said funds for his own personal use.

Respondent collected rent and security deposits on behalf of clients but failed within a reasonable time to account for or remit said funds to those clients.

Respondent Sullivan controlled the trust account for EXP Realty, LLC and issued or caused to be issued checks which exceeded the balance in said trust account resulting in checks being returned for nonsufficient funds. Respondent withdrew funds for his personal use that were not identified to a real estate transaction.

**Recovery Fund Order:** As a direct result of the proven violations by Respondent John Sullivan in the October 6, 2014 Consent Order, Formal Hearing # 3383, in the subsequent Recovery Fund Hearing held July 13, 2015, the Commission finds that Respondent John Sullivan is liable and ordered to pay the complainants within thirty (30) days of the date of this Order.

As a result of the above proven violations, the Commission voted for Respondent Sullivan to pay as follows:

Complainant Kay Goss for rents of \$2,649.00 and a security deposit of \$700.00.

On or about March 24, 2007 Complainant Goss entered into a property management agreement with Respondent. Complainant stated in her complaint Respondent received from tenants of Complainant Goss' property located at 369 Steele Road, Springdale, Arkansas \$2,786 for rental funds for May, June, and July 2014; and \$6 in bank fees for returned checks for a total of \$2,792. Respondent failed to remit or account for rental funds to Complainant.

Complainant Richard Henry for rents of \$14,444.00.

On or about September 27, 2006 Complainant Richard Henry, Officer of RYH Properties LLC, an Arkansas Limited Liability Company, entered into a property management agreement with Respondent for properties located at 6414 44th St. Rogers, Arkansas, 702 & 709 SW Sterling Place, Bentonville, Arkansas, and 3101 & 3206 Pinot, Springdale, Arkansas. Complainant stated in his complaint Respondent received \$15,700 for rents collected in June and July 2014. Respondent failed to remit or account for the rental funds collected to Complainant.

Complainants Todd and Karen Reynolds for rents of \$9,113.00 and security deposits of \$3,800.00.

On or about June 1, 2010 Complainants Karen & Todd Reynolds entered into a property management agreement with Respondent for properties located at 4473 Johnson Rd units A, B, C, and D Fayetteville, Arkansas. Complainants stated several years prior to this complaint they entered into a property management agreement with Respondent for properties located at 1890 Kaywood, 1880 Kaywood, and 1840 Kaywood Units 9, 10, 11, and 12, Fayetteville, Arkansas. Complainants stated in their complaint Respondent received up to \$12,000 for rents collected in June and July 2014 and security deposits collected from tenants in the amount of \$3,800. Respondent failed to remit or account for the rental funds collected to the Complainants and Respondent did not disburse the security deposits to the tenants or to the Complainant Property Owner. Respondent failed to account for the security deposit.

Complainant Jane Tu for rents of \$1,912.50.

On or about August 15, 2006 Complainant Jane Tu entered into a property management agreement with Respondent for properties located at 6653 Cutter Court, & 5337 Monica Marie in Springdale, Arkansas. Complainant stated in her complaint Respondent received \$2,125 for rents collected in May of 2014. Respondent failed to remit or account for the rental funds collected to the Complainant.

Complainants James M. and Linda A. Sullivan/Sullivan LP for rents of \$832.50.



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On or about July 9, 2007 Complainant James M. Sullivan entered into a property management agreement with Respondent for properties located at 9 Hillswick Drive, Bella Vista, Arkansas. Complainant stated in his complaint Respondent received \$1,850 for rents collected in June and July of 2014. Respondent failed to remit or account for the rental funds collected to the Complainant.

Complainants David and Christine Hartman for rents of \$1,192.50 and a security deposit of \$2,100.00.

On or about April 6, 2007 Complainants David & Christine Hartman entered into a property management agreement with Respondent for property located 1843 N Fallbrook Fayetteville, Arkansas. Complainants stated in their complaint Respondent received \$1,325 for rents collected in May 2014. Respondent failed to remit or account for the rental funds collected to the Complainants.

On or about February 18, 2014 Respondent received \$2,100 for a security deposit for Complainant's property at 1843 Fallbrook Way, Fayetteville, Arkansas. Tenant vacated the subject property on or about September 30, 2014. Respondent did not disburse the security deposit to the tenant or to the property owner. Respondent failed to account for the security deposit.

Complainant Mary E. Gibbs for a security deposit of \$500.

On or about September 3, 2013 Complainant entered into a lease agreement with Respondent to rent property located at 5337 Monica Ave Springdale, Arkansas. Respondent received \$500 for a security deposit from Complainant. Respondent did not disburse the security deposit collected from the Complainant to the Complainant or to the Complainant Property Owner. Respondent failed to account for the security deposit.

Complainants Becky Sudtelgte & Nathaniel Wesselink for a security deposit of \$400.00.

On or about March 5, 2013 Complainants entered into a lease agreement with Respondent to rent property located at 2756 Carondelet # B, Springdale, Arkansas. Respondent received \$400 for a security deposit. Complainants vacated the subject property on or about August 10, 2014. Respondent did not disburse the security deposit to the Complainant or to the Property Owner. Respondent failed to account for the security deposit.

Complainant Gary Gaertner for a security deposit of \$1,200.00.

On or about July 10, 2012 Complainant entered into a lease agreement with Respondent to rent property located at 6653 Cutter Court, Springdale, Arkansas. Respondent received \$1,200 for a security deposit. Complainant stated he vacated the subject property on or about July 2014. Respondent did not disburse the security deposit to the Complainant or to the property owner. Respondent failed to account for the security deposit.

Complainants Dan & Angel Gunn for a security deposit of \$1,150.

On or about September 13, 2013 Complainant entered into a lease agreement with Respondent to rent property located at 709 SW Sterling Place, Bentonville, Arkansas. Respondent received \$1,150 as a security deposit. Complainant vacated the subject property on or about August 15, 2014. Respondent did not disburse the security deposit to the Complainant or to the property owner. Respondent failed to account for the security deposit.

Complainants Steven & Michele Byram for a security deposit of \$1,150.00.

On or about January 31, 2013 Complainants entered into a lease agreement with Respondent to rent property located at 710 SW Sterling Place, Bentonville, Arkansas. Respondent received \$1,150 as a security deposit. Complainants vacated the subject property on or about May 31, 2014. Respondent did not disburse the security deposit to the Complainants or to the property owner. Respondent failed to account for the security deposit.

Complainant Jayme Wilson for a security deposit of \$150.

On or about February 15, 2014 Complainant entered into a lease agreement with Respondent to rent property located at 2780 Carondelet # A, Springdale, Arkansas. Respondent received \$800 as a security deposit. Respondent did not disburse the security deposit to the Complainant or to the property owner. Respondent failed to account for the security deposit.

Complainants Russ & Amber Murphy for rents of \$782.00 and security deposits of \$2,250.00.

On or about January 15, 2011 Complainants entered into a property management agreement with Respondent for property located 214 Cordes Drive, Siloam Springs, Arkansas and 703 SW Sterling, Bentonville, Arkansas. Complainants stated in their complaint Respondent received \$2,525 for rents collected in July 2014. Respondent failed to remit or account for the rental funds collected to the Complainants.



## FORMAL HEARING DECISIONS



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On or about September 1, 2013 Respondent received \$600 for a security deposit for the property at 214 Cordes Drive, Siloam Springs, Arkansas. Tenant vacated the subject property on or about August 31, 2014. Respondent did not disburse the security deposit collected from the tenant to the tenant or to the Complainant Property Owners.

On or about May 1, 2012 Respondent received \$1,650 for a security deposit for the property at 703 SW Sterling, Bentonville, Arkansas. Respondent did not disburse the security deposit to the tenant or to the Complainant Property Owners.

Complainant Richard Jaffe for rents of \$1,699.00.

On or about May 23, 2005 Complainant entered into a property management agreement with Respondent for property located 2203 Pin Oak Unit A & B, Springdale, Arkansas. Complainant stated in his complaint Respondent received \$3,600 for rents collected in June and July 2014. Complainant stated Respondent failed to remit or account for \$2,059 of the rental funds to the Complainant.

Complainant Anna Crump for a security deposit of \$1,100.00.

On or about July 29, 2013 Complainant entered into a lease agreement with Respondent to rent property located at 11093 Waterleaf Lane, Prairie Grove, Arkansas. Respondent received \$1,100 as a security deposit. Complainant vacated the subject property on or about November 13, 2014. Respondent did not disburse the security deposit to the Complainant or to the property owner. Respondent failed to account for the security deposit.

Complainants Kevin & Rebecca Woodcock for a security deposit of \$1,000.

On or about February 20, 2014 Complainants entered into a lease agreement with Respondent to rent property located at 6414 South 44th St, Rogers, Arkansas. Respondent received \$1,000 as a security deposit. Complainant purchased the subject property on or about November 17, 2014. Respondent did not disburse the security deposit to the Complainant or to the previous property owner. Respondent failed to account for the security deposit.

Complainants Diane & Fredrick Paulson for rents of \$11,658.68 and security deposits of \$6,740.00.

On or about July 25, 2007 Complainants Paulson entered into a property management agreement with Respondent for properties located at 2425 & 2427 W Olrich, 2425, 2427, 2428 & 2430 W Gum, 2424 & 2426 W Magnolia, 2703 W Beech in Rogers, Arkansas, as well as 113 A & B Fox Run, Lowell, Arkansas. Complainants stated in their complaint Respondent received \$12,000 for rents collected in June and July 2014, and security deposits collected from tenants in the amount of \$6,740. Respondent failed to remit or account for rental funds collected to Complainant. Respondent failed to account for the security deposits.

Complainants Rainer and Mary K. Tischler for rents of \$2,329.62 and security deposits of \$2,100.00.

Complainants Tischler stated they entered into a property management agreement with Respondent for properties located at 2429 & 2431 Olrich, Rogers, Arkansas. Complainants stated in their complaint Respondent received \$2,780 for rents collected in June and July 2014 and security deposits collected from tenants in the amount of \$2,100. Respondent failed to remit or account for the rental funds collected to the Complainants. Respondent failed to account for the security deposits.

Complainants Wilbur & Mary Rankin for rents of \$11,236.39 and security deposits of \$5,350.00.

On or about July 1, 2007 Complainants Rankin entered into a property management agreement with Respondent for properties located at 3153 Arrow Place, Springdale, # 5 Borland Lane, Bella Vista, # 8 Borland Lane, Bella Vista, 3805 Carriage Way, Bentonville, 1109 E. Freedom, Siloam Springs, 1322 Morlan, Springdale, 505 Persimmon Street, Gravette, 507 Persimmon Street, Gravette, and 46 Saxony, Farmington, all in Arkansas. Complainants stated in their complaint Respondent received \$14,640 for rents collected in June and July 2014. Respondent failed to remit or account for rental funds collected to Complainant. And Complainants stated in their complaint on behalf of tenants the following:

On or about February 22, 2013 Respondent received \$800 for a security deposit for the property at 3153 Arrow Place, Springdale, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.

On or about October 4, 2011 Respondent received \$800 for a security deposit for the property at # 5 Borland Lane, Bella Vista, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.



## FORMAL HEARING DECISIONS



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On or about April 21, 2014 Respondent received \$650 for a security deposit for the property at # 8 Borland Lane, Bella Vista, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.

On or about November 1, 2013 Respondent received \$500 for a security deposit for the property at 3805 Carriage Way, Bentonville, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.

On or about October 12, 2013 Respondent received \$500 for a security deposit for the property at 1109 E. Freedom, Siloam Springs, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.

On or about December 17, 2011 Respondent received \$300 for a security deposit for the property at 1322 Morlan, Springdale, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.

On or about October 11, 2010 Respondent received \$500 for a security deposit for the property at 505 Per-simmon Street, Gravette, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.

On or about March 1, 2014 Respondent received \$800 for a security deposit for the property at 507 Per-simmon Street, Gravette, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.

On or about November 15, 2013 Respondent received \$500 for a security deposit for the property at 46 Saxony, Farmington, Arkansas. Respondent did not disburse the security deposit collected to the tenant or to the Complainant Property Owners.

**Respondent(s):** Thomas Hudson, Salesperson, and Janet Barrow, Principal Broker, Grissom and Company, Conway, Arkansas, Formal Hearing #3395

**Violation(s) for Respondent Hudson:** A.C.A. §17-42-311(a)(2), §17-42-311(a)(9), §17-42-311(a)(11), §17-42-311(a)(13) and Commission Regulations 10.1(b), and 10.13(b).

**Violation(s) for Respondent Barrow:** A.C.A. §17-42-311(a)(13), §17-42-311(a)(2), §17-42-311(a)(11) and Commission Regulations 10.13(b) and 10.14.

**Sanction(s):** Respondent Thomas Hudson's real estate sales license was suspended for six (6) months. Respondent Hudson to pay a fine of \$3,000.00 to the Arkansas Real Estate Commission, and complete a 60-hour salesperson education course, and an 18-hour salesperson post-license education course.

**Sanction(s):** Respondent Janet Barrow to pay a fine of \$3,000.00 to the Arkansas Real Estate Commission. Respondent Barrow required to attend a 45-hour broker pre-license education course, and, a 30-hour broker post-license education course.

While licensed under Complainant Principal Broker Henson, Respondent Hudson conducted property management activities for Complainant's firm, ReMax of Conway. In early March 2014, while Respondent Hudson was still licensed with ReMax of Conway, Respondent Barrow, Principal Broker for Grissom and Company and Respondent Hudson discussed the transfer of Respondent Hudson's license to Grissom and Company.

Respondent Barrow told Respondent Hudson that he could contact the owners of properties managed by Principal Broker Henson and that if the property owner stated that they wished to continue to have Respondent Hudson manage their property, Respondent Hudson was to tell the property owner to contact Principal Broker Henson to let him know of their desire to terminate their arrangement with ReMax. After Respondent Hudson had contacted some of the property owners, Respondent Barrow advised Respondent Hudson that he could send a sample letter to the property owners that the owners could send to Principal Broker Henson to terminate their property management agreement.

At some point, Respondent Barrow instructed Respondent Hudson to make copies of everything, including any receipts and deposit slips that he had related to properties managed by Principal Broker Henson. Respondent Hudson provided Respondent Barrow copies of the check book, bank statements, and deposit slips related to properties managed by Principal Broker Henson. Without Complainant Principal Broker Henson's permission, Respon-



## FORMAL HEARING DECISIONS

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dent Hudson took from Complainant Principal Broker Henson's firm a copy of a list of renters and owners complete with phone numbers and addresses of owners of properties managed by Principal Broker Henson.

In an email dated April 7, 2014, to Principal Broker Henson, Respondent Barrow indicated that ledger sheets for properties managed by Principal Broker Henson were being returned to him.

On or about April 9, 2014, Respondent Hudson sent a letter to an owner of properties managed by Principal Broker Henson of ReMax of Conway. That letter signed by Respondent Hudson stated, "I am sending you the letter to terminate your management agreement with ReMax. I have enjoyed working with you and hope you will let me continue to management (sic) you (sic) properties. I have had one phone call on 104 and the person is going to call me back when she wants to see the house. I will let you know when I have moved to the new company." Respondent included a form letter dated March 1, 2014 for the property owner to sign which stated, "I wish to terminate the property management agreement with RE/MAX of CONWAY. I have employed the management services of Grissom & Company for the above referenced properties," advising the owners how to terminate their property management agreement and move the management agreement to Grissom and Company.

On or about April 11, 2014 Principal Broker Henson returned Respondent Hudson's real estate license to the Arkansas Real Estate Commission. The back of the license, which was signed by Respondent Hudson states, "I hereby certify that I am not taking, and will not take, any listings, management contracts, appraisals, lease agreements, or copies of any such documents, or any other pertinent information belonging to my former Principal Broker or Firm Regulation 7.5 (b)(1)."

Three of the termination letters that Respondent Hudson sent to owners of properties managed by Principal Broker Henson were signed by owners of the properties. Respondent Barrow delivered copies of the three letters to Principal Broker Henson. All three termination letters were dated March 1, 2014.

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**Respondent:** Jimmy Payne, Principal Broker, All Real Estate, LLC, Fayetteville, Arkansas, Formal Hearing #3399

**Violation(s):** A.C.A. § 17-42-311(a)(2), §17-42-311(a)(11), § 17-42-311(a)(6) and § 17-42-316(b)(2)(I) and Commission Regulations 10.7(b)(1), 10.7(b)(3), 8.5(a), 10.8(b), 10.8(c), 10.8(g)(1), and 10.10(a).

**Sanctions:** Respondent Payne's real estate license with the Commission was revoked. A fine was imposed upon Respondent Payne in the amount of \$6,500.00. And, Respondent Payne is required to deliver to the Commission all existing records in his possession.

On or about February 19, 2014, Respondent listed for sale 211 Sundown Drive, Farmington, Arkansas. The Seller was Matthew Reardon.

On or about May 15, 2014, Respondent represented to Complainants/Buyers Willbanks the property at 211 Sundown Drive, Farmington, Arkansas to be sold as a short sale property.

On or about May 15, 2014, Complainants/Buyers Willbanks and Seller Reardon entered into a real estate contract to purchase the property at 211 Sundown Drive, Farmington, Arkansas, in the amount of \$95,000. According to the real estate contract, Respondent Payne acted as a dual agent, representing both Seller Reardon and Complainants/Buyers Willbanks.

On or about May 15, 2014, Respondent did not reduce to writing, or did not provide copies of a Short Sale Addendum and Earnest Money Addendum to Complainants/Buyers Willbanks.

On or about May 15, 2014, Complainants/Buyers Willbanks remitted cashier's check # 3516983, made payable to All Real Estate, in the amount of \$5,000 for earnest money. Respondent Payne negotiated the check with Simmons First National Bank and did not deposit the earnest money in a trust account or with an escrow agent.

On or about May 21, 2014, Complainants/Buyers Willbanks remitted a second cashier's check, # 3516999, made payable to All Real Estate, in the amount of \$4,500 for additional earnest money, bringing the total earnest money paid to \$9,500. Respondent Payne negotiated the check with Simmons First National Bank and did not deposit the earnest money in a trust account or with an escrow agent.

On or about September 11, 2014, Karen Powell of Coldwell Banker Harris McHaney Faucette, presented a real estate contract on behalf of Buyers David & Erica Powell, for the purchase of 211 Sundown Drive, in the amount of \$128,000. The offer was subject to short sale approval. The offer was accepted by Seller Reardon.

On or about September 11, 2014, Respondent did not notify his client, Seller Reardon, of the potential risk



## FORMAL HEARING DECISIONS

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of accepting a second offer, not identified as a back-up offer, while his client had a contract in place.

On or about September 11, 2014, Buyers David & Erica Powell remitted cashier's check # 1178300577, made payable to All Real Estate, in the amount of \$1,000 for earnest money. Respondent Payne negotiated the check with Simmons First National Bank and did not deposit the earnest money in a trust account or with an escrow agent.

On or about October 17, 2014, the transaction between Buyers David & Erica Powell and Seller Matthew Reardon closed.

On or about October 22, 2014, Complainants Larry & Peggy Willbanks were informed by Respondent Payne the subject property was sold to another buyer. Complainant Larry Willbanks verbally requested his earnest money be returned.

Respondent Payne returned \$9,500 to Complainants Larry & Peggy Willbanks on November 4, 2014. Complainant stated the funds were received via cashier's check.

On or about February 2, 2015, AREC Senior Investigator requested, via email, Respondent send all documents of this transaction to AREC. Respondent did not submit requested documents.

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**Respondent(s):** Casey Reed, Principal Broker, Action Realty, Sheridan, Arkansas, Consent Order #3373

**Violation(s):** A.C.A. § 17-42-311(a)(2) and Commission Regulation 10.16(a)

**Sanction(s):** Respondent Reed shall receive a Letter of Reprimand to be placed in his license file for one year and pay a \$500 penalty to the Arkansas Real Estate Commission, within thirty (30) days of the date of this Order.

Respondent Casey Reed is currently an active Principal Broker with Action Realty Company in Sheridan, Arkansas. Respondent Reed was issued a real estate Salesperson's license on August 19, 2002. From August 19, 2002, until November 10, 2004, Respondent Reed was licensed with Action Realty Company, Sheridan, Arkansas.

On November 10, 2004, Respondent was issued an Arkansas Real Estate Broker's license. Respondent Reed's license expired on December 31, 2012, and was renewed on January 28, 2013. Respondent Reed continues to be licensed as a Principal Broker with Action Realty Company, Sheridan, Arkansas, and has six licensees under him.

On or about December 26, 2012, Respondent Reed entered a plea of guilty of Abuse of Public Trust, a Class D Felony, in the Circuit Court of Grant County, Grant County, Arkansas.

Respondent Reed failed to report the above actions within thirty (30) days.

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**Respondent(s):** Kim Bascom, (Unlicensed), Branson Vacation Land, LLC, Branson, Missouri, Formal Hearing #3409

**Violation(s):** A.C.A. §17-42-105(a)(1) and §17-42-109.

**Sanction(s):** Respondent is required to pay a penalty of \$5,000.00, plus costs of the hearing, as determined by the Executive Director. Additionally, Mr. Bascom and/or Branson Vacation Land, LLC, was ordered to reimburse Ms. McDougal the \$149.00 paid.

Respondent Kim Bascom is Registered Agent and owner of Branson Vacation Land, LLC. Acting through representatives of Branson Vacation Land, LLC., Respondent held himself out as being engaged in the business of selling or procuring of prospects calculated to result in the sale of real estate, specifically time-share.

On or about September 23, 2011, a representative of Branson Vacation Land, LLC called Complainant McDougal, a resident of Jacksonville, Arkansas, at Complainant's home to arrange a vacation during which the Complainant would be required to attend a 90 minute presentation. Complainant McDougal was informed by the caller that the presentation would be about time-share property.

On or about September 23, 2011, Complainant's credit card was charged \$149 for the Unit Cost of the offering. Documentation mailed to the Complainant stated "All packages are good for up to 18 months from the date of purchase."





## FORMAL HEARING DECISIONS



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After being charged the \$149 fee, sometime early in 2013, Complainant called to book her vacation and was informed at that time that she did not qualify for the offering because of her income limitations. Complainant requested a refund of the \$149 fee. Complainant did not receive a refund of the \$149 fee.

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**Respondent(s):** Joel Valentin, Salesperson (Inactive), Springdale, Arkansas, Formal Hearing #3408

**Violation(s):** A.C.A. § 17-42-311(a)(3), §17-42-311(a)(2), and §17-42-311(a)(11).

**Sanction(s):** Respondent 's license was revoked.

On December 23, 2013, Respondent Valentin, in The United States District Court Western District of Arkansas Fayetteville Division, pleaded guilty to a one count indictment charging him with Making and Causing to be Made False Statements to a Financial Institution, in violation of 18 U.S.C. §§ 1014 and 2. A.

On or about December 23, 2013, and, on or about September 18, 2014, Respondent Valentin requested through his attorney, Bob Estes, "the Commission initiate an investigation and schedule a hearing to determine what sanctions, if any will be had."

On September 8, 2014, In the United States District Court Western Division of Arkansas, Respondent Valentin was sentenced to be imprisoned for twelve (12) months, consisting of six (6) months imprisonment followed by six (6) months of home confinement and eighteen (18) months supervised release upon release from imprisonment. Respondent Valentin was also ordered to make restitution in the amount of \$178,343.85. Respondent was released from prison custody on March 27, 2015. Respondent is due to be released from home confinement on September 29, 2015.

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**Respondent(s):** Edie Culver (Mulvey) (Inactive Salesperson), Fayetteville, Arkansas, Formal Hearing #3412

**Violation(s):** A.C.A. § 17-42-310(b), § 17-42-311(a)(2) and Commission Regulations 6.2(b) and 10.16(a).

**Sanction(s):** Respondent 's license was revoked.

On or about May 21, 2012, Respondent Culver (Mulvey) was found guilty of Domestic Assault 3rd. Respondent did not make a written report to the Commission within thirty (30) days of the incident.

During 2014 Respondent Culver (Mulvey) was found guilty of DUI in Missouri. Respondent did not make a written report to the Commission within thirty (30) days of the incident.

Respondent Culver (Mulvey) moved while licensed and failed to notify the Commission in writing within seven (7) days of any change of address.

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**Respondent(s):** Phillip Zieser, (Unlicensed), Ozark Liquidation, Inc., Forsyth, Missouri, Formal Hearing #3417

**Violation(s):** A.C.A. §17-42-105(a)(1) and §17-42-109.

**Sanction(s):** Respondent Zieser was ordered to pay restitution to Complainant Regina Threet in the amount of \$5,495.00, a civil penalty fine to the Commission of \$5,000.00, costs of the Formal Hearing, and shall not be approved for resident or nonresident license prior to the application being reviewed and approved by the Commission, and prior to restitution, civil penalty, and hearing costs being paid in full.

Respondent Phillip Zieser is Registered Agent, CEO, President and owner of Ozark Liquidation, Inc., 155 Main Street, Forsyth, Missouri. Ozark Liquidation, Inc. was originally filed with the Missouri Secretary of State as Ozark Liquidation, LLC and converted to Ozark Liquidation, Inc. on May 16, 2012. Acting through representatives of Ozark Liquidation Inc. or Ozark Liquidation, LLC., Respondent held himself out as being engaged in the business of selling, exchanging, leasing or procuring of prospects calculated to result in the sale of real estate, specifically



## FORMAL HEARING DECISIONS

The following information is extracted from Findings of Fact, Conclusions of Law and Order, and Consent Orders issued by the Commission from May 2015 through January 2016. Formal Hearing Decisions that have been appealed are not listed.



time-share, utilizing ownership liquidation, transfer by deed or title transfer.

On or about November 8, 2011, a representative of Ozark Liquidation, Inc. met Complainant Threet, a resident of Little Rock, Arkansas, at a location in Little Rock, Arkansas. At this meeting a representative of Ozark Liquidation, Inc. entered into an agreement by which Complainant agreed to transfer her ownership of three Wyndham timeshares out of her name through a liquidation process and to pay all transfer, estoppels, recording and title insurance fees. The agreement stated, "...OZARK LIQUIDATION RESERVES THE RIGHT TO DISPOSE OF ABOVE TIMESHARE PROPERTY IN ANY MANNER NECESSARY TO COMPLETE THE LIQUIDATION PROCESS." The agreement stated that the Cost of Liquidation for Complainant was \$2,500 and indicated Complainant paid that amount by check number 3304. Complainant wrote a check numbered 3303, dated November 8, 2011, to Ozark Liquidation for \$2,500. Complainant also wrote check number 3304, dated November 8, 2011, for \$2,500, payable to Ozark Liquidation. Complainant also wrote check number 3305, dated November 8, 2011, for \$2,500, payable to Ozark Liquidation.

The agreement that the representative of Ozark Liquidation, Inc. entered into with Complainant stated the timeshare property would be transferred out of Complainant Threet's name by the end of the usage year in which the Complainant had relinquished her rights. The contract further stated that Complainant Threet relinquished all usage rights to the timeshare properties beginning 2011.

On or about November 15, 2011, Complainant Threet received a letter by email from Renee Nichols of Ozark Liquidation, Inc. The letter indicated that a company called Sundry Vacations would assist Ozark Liquidation to liquidate Complainant's timeshare properties. In the letter, Complainant Threet was requested to send a copy of the most current RECORDED deed or purchase contract to Ozark Liquidation to expedite the liquidation of Complainant's timeshare properties. A Sundry Vacations agreement between a representative of Ozark Liquidation, Inc. and Complainant stated, "...the property shall be granted, conveyed, or assigned to Sundry Vacations, or such other entity or person, as may be designated in such a manner as to pass legal title to Grantee or Assignee..."

On or about May 24, 2012, Complainant received a letter from a representative of Ozark Liquidation, Inc., which enclosed a deed to transfer the Complainant's ownership of her timeshare property in accordance with the Complainant's liquidation service contract dated 11/18/2011. Complainant was requested to sign the deed and return it to Ozark Liquidation, LLC. The letter stated, "The new owner's information will be inserted in an appropriate timeframe..."

On or about April 3, 2013, after her ownership in all of her timeshare properties had not been successfully transferred or liquidated by Ozark Liquidation, Inc., Complainant requested that the \$5,000 she paid to Ozark Liquidation, Inc. be returned. By letter dated September 25, 2013 to Respondent Zeiser, Complainant requested that the \$5,000 she had paid to Ozark Liquidation, Inc. be refunded. On or about March 14, 2012, Complainant received an email and letter from Casey Burch, Director of Administration of Ozark Liquidation, LLC indicating that \$2,005 was being refunded to Complainant by check, which represented \$2,500 minus administrative fees of \$495.