



November 2010

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Gary C. Isom
Executive Director

Andrea S. Alford
Deputy Executive Director

Debra Randolph
AREC Supervisor,
Investigations

ARKANSAS REAL ESTATE COMMISSION

N E W S L E T T E R

Expired Licenses Affect all Licensees

Each year we have licensees who fail to renew, resulting in expired real estate licenses. In addition to implementing fines in an effort to eliminate this problem, AREC has published many articles on this topic, encouraging licensees to renew on time.

If, after January 1, 2011, you discover that one of the licensees involved in one of your closings has an expired license, please refer to the following: A.C. A Section 17-42-311(a)(12) lists as a violation: "Paying a commission or valuable consideration to any person for acts or services performed in violation of this chapter..." Providing compensation to a person whose real estate license has expired could constitute a violation. As licensees often have to advise their clients, if you find yourself in a real estate transaction with an expired licensee, contact your attorney before paying or sharing compensation with the expired licensee.

We encourage all licensees to use the Roster Search on the AREC website under "Online Services" to confirm that the licensees involved in your transactions have a valid active license. You may renew online at the AREC website at www.arec.arkansas.gov.

Karen Crowson Elected to ARELLO Office

The recent election of AREC Commissioner Karen Crowson to Senior District Vice President of the Association of Real Estate License Law Officials (ARELLO) has placed Karen on the five-member Executive Committee of ARELLO. With AREC Executive Director Gary Isom serving as immediate past president of ARELLO during 2011, Arkansas will consequently have two members on the Executive Committee, a first for Arkansas. ARELLO is an international association of real estate regulatory agencies around the world that promotes excellence in global real estate regulation. Congratulations, Commissioner Crowson!

Promotion, New Employees at AREC

Deb Randolph Takes Helm of Investigations Department

Debra Randolph, who joined AREC as an Investigator in March 2009, has been promoted to AREC Supervisor over the Investigations Department. With real estate and regulatory experience from both private and public sectors, Deb brings a wealth of knowledge to the enforcement arena.

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AREC's Financial Accountability Strengthened With New Accountant, Victoria Settles

Victoria Settles joined AREC in January. Victoria brings an excellent background and experience to AREC, including a CPA



Deb Randolph

(Continued on Page 4)

# 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 July 2010 through October 2010. Formal Hearing Decisions that have been appealed are not listed.



**Cheryl D. Ward, Principal Broker, Rapid Real Estate, Hardy, Arkansas:** In Formal Hearing # 3101 the Commission voted unanimously that Respondent Ward's real estate license be revoked. Respondent Ward must receive permission from the Arkansas Real Estate Commission to obtain any type of real estate license from the Commission at any subsequent point and time. Respondent Ward was fined \$500 per charge, for a total of \$2,000, payable to the Arkansas Real Estate Commission within thirty (30) days of the date of the Order.

The Commission found Respondent Ward guilty of violating Arkansas Code Annotated § 17-42-311(a) (6) and § 17-42-311(a) (13), and Commission Regulations 8.5(a) and 10.8(g)(1).

Respondent delegated property management duties to an employee who did not hold a real estate license. Respondent authorized the employee to deposit and disburse rent proceeds to property management clients from Rapid Real Estate's escrow account. Sometime in November 2008, the unlicensed employee notified Respondent Ward that she was terminating her employment. Respondent subsequently found that rental records were missing and that certain cash deposits received for rent and security deposits had not been deposited into the trust account. On December 01, 2008, Respondent reported the shortage to the Sharp County Sheriff's Office. The unlicensed employee later died.

**Complainants Pruitt:** Respondent managed two properties for Complainants Pruitt. The property located at 183 Hiawatha was leased to Terry Myers on November 14, 2008. Respondent Ward signed the Residential Lease/Rental Agreement. Paragraph 25, Special Conditions of the Agreement stated; "tenant is steam cleaning carpets & painting interior in lieu of \$100.00 of the (security) deposit bringing the (security) deposit down to being \$250.00, which will be paid on December 3, 2008." The monthly rent was \$425.00. Tenant Myers paid \$240.00 cash to the unlicensed employee as "Rental Manager" as prorated rent for November 2008. The November 2008 rent of \$240.00 was not deposited into the Respondent's trust account and was not paid to Complainants Pruitt.

On December 4, 2008, a General Addendum was prepared by Respondent and signed by tenant Terry Myers. The General Addendum changed the security deposit amount to \$0. Complainants Pruitt did not authorize Respondent to reduce the security deposit to zero. On January 9, 2009 Respondent Ward transferred the management of the two properties to Ozark Gateway Realty, Cherokee Village, Ar., without the consent of the Complainants.

**Complainant Rude:** Respondent managed 17 properties for Complainant Rude from 2005 through Jan 07, 2009. During November 2008 Complainant Rude contacted a representative of Rapid Real Estate to report that his October 2008 rental proceeds were short. Complainant Rude requested that Respondent Ward provide books and records for his properties and an explanation regarding the October 2008 rent proceeds. Respondent Ward contacted Complainant Rude and stated that the unlicensed employee had stolen his rent proceeds, but she will get him paid back.

On January 07, 2009, Respondent Ward transferred the management of Complainant Rude's properties to Ozark Gateway Realty, Cherokee Village, Ar., without owner consent.

In the accounting document dated December 1, 2008 provided to the Sharp County Sherriff's office, Respondent Ward indicated \$9,565 was owed by Respondent Ward to individuals for whom her firm managed properties, including Complainants Pruitt and Rude. Respondent Ward stated in that document, "I still have more files to go through and several checks have not cleared the bank yet and (unlicensed employee) left me no journal of them." Respondent Ward has not reimbursed any funds to Complainants Pruitt or Rude. Respondent Ward's records did not reflect whether or not rents had been collected for December 2008 and January 2009 from Tenants of Complainants Pruitt's and Complainant Rude's Properties.

An AREC Investigator located fifteen (15) checks totaling \$5,382.27, payable to Complainant Rude written from Respondent's escrow account. The checks signed by the unlicensed employee had not been sent to Complainant Rude. The investigator found three checks payable to the unlicensed employee, signed by the unlicensed employee, that had been cashed.

( Continued on Page 3 )

## 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 July 2010 through October 2010. Formal Hearing Decisions that have been appealed are not listed.



(Continued from Page 2)

The three checks were written as follows: # 2840, in the amount of \$500.00, dated September 09, 2008; check # 2859, in the amount of \$500.00, dated September 22, 2008; and check # 2862, in the amount of \$600.00, dated 9/28/2008.

A Recovery Fund Hearing was held. "The Commission voted unanimously that Respondent Cheryl D. Ward pay the bankruptcy trustee, John C. Pringle \$17,745.41, broken down as follows: \$525.21 as part of the preparation, \$670.89 in travel, \$7,964.31 that accounts for rents received, but not paid over to the Complainant, and \$8,585 of missing rents, for a total of \$17,745.41."

**Kenneth Stall, Associate Broker, Ken Stall and Associates and Coldwell Banker/Premier Realty, Clarksville, AR:** In Formal Hearing # 3109, the Commission voted that Respondent Kenneth Stall be fined \$300.00 to be paid to the Arkansas Real Estate Commission within thirty (30) days of the final Order, and he be required to take six (6) hours of continuing education to be approved in advance by the Executive Director. These hours shall be in addition to the annual continuing education hours required to renew a license. The time for completing the hours shall be determined by the Executive Director.

The Commission found Respondent Stall guilty of violating Commission Regulation 10.7(a)(1) and Arkansas Code Annotated §17-42-311(a)(6).

On or about July 31, 2009, Respondent sold property at 1003 Armstrong in Coal Hill, AR to Lea Martin. The contract stated a check for earnest money in the amount of \$300.00 would be delivered to the listing firm Coldwell Banker Premier Realty. Respondent failed to deliver these funds to the listing firm's Principal Broker, Complainant Stanley.

**Jamey C. LeFever, Designated Executive Broker, Blackwood Team - Cabot Branch, Cabot, AR:** By Consent Order in Formal Hearing # 3108, the Commission ordered that... "Respondent Designated Executive Broker Lafever shall receive a Letter of reprimand to be placed in his license file and pay a \$250 penalty to the Arkansas Real Estate Commission, within 90 days of the date of the order."

The Commission found Respondent Lafever guilty of violating Arkansas Code Annotated § 17-42-311(a)(13).

"Respondent Lafever, as Designated Executive Broker, allowed (an individual with an expired salesperson license) to practice and represent himself as a Salesperson for Blackwood Team - Cabot Branch from January 1, 2010, until August 12, 2010, without holding an active salesperson license."

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### ***Former Executive Director Recognized as Member Emeritus by ARELLO***

Bill Williamson, former AREC Executive Director, was recently granted Member Emeritus status with ARELLO recognizing the significant contributions that Bill made to the regulatory profession during his career. Bill was very instrumental in developing and working with the ARELLO Investigators Resource Committee, which offers annual workshops to real estate investigators.

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### **Jo Harding Retires from AREC**

After thirty plus years as an AREC Administrative Assistant and Examiner, Jo Harding has retired. As so many of you know, Jo was always a loyal and dedicated employee and representative of AREC. She was always a pleasure to work with for employees and licensees as well. Jo was many licensees' first contact with AREC. We wish Jo well in her well-deserved retirement. She was a true ambassador for this agency and provided years of quality service to the people and the State of Arkansas.



Jo with Shonna Amos

PRESORTED  
US POSTAGE  
PAID  
PERMIT #75  
LITTLE ROCK AR

**Inside This Issue  
November 2010**

Expired License Warning.....1  
Commissioner Crowson Elected to  
ARELLO Executive Board.....1  
Promotion, New Employees Announced  
at AREC .....1, 4  
Formal Hearing Decisions.....2, 3  
Former Executive Director Recognized  
by ARELLO.....3  
Jo Harding Retires.....3

**REMEMBER:** In order to remain active for 2011, your continuing education credits must be received by AREC no later than December 31, 2010. All licensees not meeting this requirement will be placed on inactive status as of January 1, 2011.

## New Employees (Continued)

*(Continued from Page 1)*

designation. Victoria has already helped AREC improve its “checks and balances”. Additionally, Victoria has advised the Investigations Department with regard to spreadsheet presentations, providing benefit to AREC’s formal hearing process. Having previously worked with the Arkansas Division of Legislative Audit and in the private sector, Victoria’s experience is a valuable resource for AREC. Victoria lives in Gravel Ridge with her husband, Keith. She enjoys reading, cooking, learning new recipes, and spending time with her family, especially her stepchildren, niece and nephew.



**Victoria Settles**



**Darleen Tripcony**

### **Darleen Tripcony Assumes Duties of Administrative Analyst**

Darleen Tripcony’s several years of executive-level experience in state government has allowed her to hit the ground running at AREC. Initially hired for the receptionist position in August, Darleen was promoted into the position vacated by Jo Harding. In that position, Darleen will assist the Executive Director and Deputy Executive Director in commission operations. Darleen lives with her husband, Jim, and two rescued cats - Fuzzy and Zoeller. She has one daughter, two stepchildren and six grandchildren. In her spare time, Darleen enjoys traveling, golfing, camping, watching UALR Trojan basketball and enjoying her grandchildren.