



# ARKANSAS

# REAL ESTATE COMMISSION

## N E W S L E T T E R

APRIL 2003

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### Members of the Commission

Virgil L. Miller, Jr. Chairman  
Little Rock

Mary Bassett, Vice Chair  
Fayetteville

P. Q. Gardner  
Monticello

Ina Martin  
Russellville

Debbie Rawls  
Paragould

### Executive Staff

Bill J. Williamson  
Executive Director

Gary C. Isom  
Deputy Executive Director

## New Commissioner Appointed

Governor Huckabee recently appointed Debbie Rawls of Paragould to serve a three-year term on the Arkansas Real Estate Commission.

Debbie is an Executive Broker with Century 21 Hometown Realty, Inc., and has held a real estate license since 1985. Debbie has served in numerous real estate professional positions with the Paragould Board of Realtors, including Director and Past President. She was also honored by the Paragould Board as Realtor of the Year in 1995.

Debbie has also served on the state level with the Arkansas Realtors Association. She has served on the Board of Directors, Executive Board as District 1 Vice President, Equal Opportunity Committee as Chair, and other committees. She currently serves as Vice Chair of the Risk Reduction Committee. Debbie holds Realtor designations of GRI and CRS.

She is also a member of the Paragould/Greene County Chamber of Commerce, Paragould Kiwanis Club, Paragould Habitat for Humanity, Paragould City Beautiful



Debbie Rawls

Commission and other Community programs.

A native of Paragould, Debbie is married to Eddie Rawls, and has three daughters, four grandsons, and two granddaughters.

*From the Desk of ...*

*The Executive Director*



### Commission Members for 2003

We welcome new Commissioner Debbie Rawls from Paragould, Arkansas. The Commission met in February and elected the following officers: Virgil L. Miller, Jr. from Little Rock was elected Chairman and Mary Bassett from Fayetteville was elected Vice Chair. Other members of the Commission are Ina Martin from Russellville and P.Q. Gardner from Monticello.

### AREC Web site

Have you visited the AREC Web site lately? You will find a searchable Roster of active real estate licensees at your fingertip. The Roster is updated monthly. You can search by last name, city, or firm. Other helpful information you will find include the real estate license law and regulations, links to real estate education providers, AREC forms, Agency Representation pamphlet, and more. Check it out at [www.state.ar.us/arec](http://www.state.ar.us/arec).

### Post License Education

Post license education requirements went into effect January 1, 2002. Anyone licensed after that date is required to complete post license courses within one year of initial licensure. New broker licensees must complete 30 class room hours of post license education. New salesperson licensees must complete 18 class room hours of post license education. Post license education must be completed in specific courses that have been developed and approved to meet this requirement. The approved

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# FORMAL Hearing DECISIONS

*The following information is extracted from Findings of Fact, Conclusions of Law and Order which were issued for Hearings conducted by the Commission from August 2002 through February 2003. Formal Hearing Decisions that have been appealed are not listed.*

**Anne W. Carpenter, Principal Broker, Sylvia T. White, Salesperson, and Robert J. Bridges, Salesperson, Crossett:** Formal Hearing #2002 was held in August 2000 but was appealed by the Respondents. The Commission's decision was recently upheld. In Formal Hearing #2002 the Commissioners ordered "...that Respondent Anne W. Carpenter be required to attend a broker's course, approved in advance by the Executive Director of the Arkansas Real Estate Commission. No continuing education credit will be awarded, nor will scholarship assistance be allowed. It is further ordered that Respondent Carpenter pay a penalty to the Commission in the amount of \$1,000.00 for each violation, for a total of \$2,000.00 within sixty (60) days of the date of this Order. A Letter of Reprimand shall be placed in Respondent Carpenter's license file and made a permanent part of her record."

The Commission found Ms. Carpenter guilty of violating Arkansas Code Ann. §17-42-311(a)(13) and Regulation 10.4(b).

Ms. Carpenter did not exercise strict supervision of the real estate activities of Ms. White and Mr. Bridges. She was aware there was information in the firm's transaction file describing the Rock Plant Filter System but she failed to instruct them to make said information available for the Complainant's review.

Ms. Carpenter's actions or her failure to deliver the documentation or disclose the physical characteristics of the proposed new septic system to the Complainant are conduct which constitutes improper dealings.

The Commissioners ordered that "...Respondent Sylvia T. White attend a salesperson's course, approved in advance by the Executive Director of the Arkansas Real Estate Commission. No continuing education credit will be awarded, nor will scholarship assistance be allowed. It is further ordered that Respondent White pay a penalty to the Arkansas Real Estate Commission in the amount of \$500.00 within sixty (60) days of the date of this Order."

The Commission found Ms. White guilty of violating Arkansas Code Ann. §17-42-311(a)(13).

Ms. White obtained information about the Rock Plant Filter System that was material to the value or desirability of the property but failed to share said information with the Complainant Buyer. Ms. White's actions are conduct which constitutes improper dealing.

The Commissioners ordered that "...Respondent Robert J. Bridges be required to attend a salesperson's course, approved in advance by the Executive Director of the Arkansas Real Estate Commission. No continuing education credit will be allowed, nor will scholarship assistance be permitted. It is further ordered that Respondent Bridges pay a penalty to the Arkansas Real Estate Commission in the amount of \$1,000.00 within sixty (60) days of the date of this Order."

The Commission found Mr. Bridges guilty of violating Arkansas Code Ann. §17-42-311(a)(13).

Mr. Bridges did not inform the Complainant that an alternate sewage system was required or disclose the physical characteristics of the system which were material to the desirability and value of the property that the Complainant had agreed to buy. Mr. Bridges' actions are conduct which constitutes improper dealings.

A Recovery Fund Hearing was held. Pursuant to Arkansas Code Ann. §17-42-401 et seq., the Commission ordered the Respondents to pay \$1,000.00 each to the Complainant, for a total Recovery Fund award of \$3,000.00.

**Scotty Long, Salesperson, and Stan McLellan, Associate Broker, Little Rock:** In Formal Hearing #2047 the Commissioners ordered that "...Respondent Scotty Long be fined \$1,500.00, payable within thirty (30) days of receipt of notice, and a letter of reprimand be placed in Mr. Long's file."

The Commission found Mr. Long guilty of violating Arkansas Code Annotated §17-42-311(a)(13) and Commission Regulation 8.5(a).

Mr. Long presented an offer to the sellers on the premise that the Complainants' (Buyers') Real Estate Contract was terminated because of Complainants' failure to remove the condition on their contract within 48 hours of his verbal notice of another offer on the property notwithstanding that the Real Estate Contract required written notice of another accepted Real Estate Contract, a written contract. He therefore engaged in improper dealings.

Mr. Long did not identify his Buyer's November 26, 2001 offer as a back up offer or subject it to Complainants' October 23, 2001 Contract being terminated. He therefore failed to promote and protect the interests of his clients.

The Commissioners ordered that "...Respondent Stan McLellan be fined \$1,000.00, payable within thirty (30) days of receipt of notice, and a letter of reprimand be placed in Mr. McLellan's file."

The Commission found Mr. McLellan guilty of violating Commission Regulation 8.5(a).



## Formal Hearing Decisions - continued

Mr. McLellan did not promote and protect the interests of his clients, the Complainants. He did not notify his clients or Salesperson Long that the purported termination of the Real Estate Contract, for not removing the condition on their contract within 48 hours of Respondent Long's notice of another offer on the property, was contrary to said agreement because there had been no other accepted written Real Estate Contract with another buyer and also because Salesperson Long had not sent written notice of such an offer to Complainants or their agent pursuant to paragraph 13 of their contract.

**Betty J. Coney, Principal Broker, and Dana S. Smith, Sales Agent, Maumelle:** In Formal Hearing #2051 the Commissioners ordered that "...Respondent Betty Coney is to be issued a letter of reprimand and is required to pay a fine of \$1,000.00 within thirty (30) days of receipt of the notice of this decision."

The Commission found Ms. Coney guilty of violating Commission Regulations 10.4(b) and 8.5(a).

Ms. Coney as Principal Broker did not protect or promote the interest of her clients the Complainants. She did not cause Respondent Smith either to deliver any notice to the tenant to vacate the property or to initiate legal action to evict the tenant, within a reasonable time after his failure to pay rent; she did not cause Respondent Smith to initiate and she did not initiate any legal action to recover unpaid rents as authorized by the Property Management Agreement; and she did not cause her licensees to collect the entire \$600 security deposit for the Complainants' property.

She failed to strictly supervise the agents of Heartland Realtors/ The Armstrong Team Branch in that she did not become completely aware of the problems with Complainants' property until late April 2001.

The Commissioners ordered that "...Respondent Dana Smith's license be revoked immediately and is required to pay a fine of \$1,000.00 within thirty (30) days of receipt of the notice of this decision."

The Commission found Mr. Smith guilty of violating Commission Regulation 8.5(a).

Mr. Smith did not promote and protect the interests of his clients the Complainants. Within a reasonable time after the tenant became delinquent in his rental payments, Respondent failed to serve notice upon Tenant Woodall to vacate the property and failed to initiate legal action to evict the tenant; Respondent did not initiate any legal action to collect delinquent rents as provided by the Property Management Agreement.

A Recovery Fund Hearing was held. Pursuant to Arkansas Code Annotated §17-42-401 et seq., the Commission ordered Ms. Coney and Mr. Smith to jointly and severally pay the Complainants damages in the amount of \$3,928.68.

**Patricia L. Joyner, Principal Broker, Little Rock:** In Formal Hearing #2052 the Commissioners ordered that "...Patricia Joyner pay a \$1,000.00 fine, to the Arkansas Real Estate Commission, payable within thirty (30) days of receipt of this Order; that a Letter of Reprimand will be issued against her; and she be required to attend and complete a thirty (30) hour brokers course as approved by the Executive Director of the Arkansas Real Estate Commission; the course to be completed within six (6) months of the date of the receipt of this Order."

The Commission found Ms. Joyner guilty of violating Arkansas Code Annotated §17-42-311(a)(13) and Commission Regulation 8.5.

Ms. Joyner did not protect and promote the interest of her clients the Complainants as follows: 1) She did not include a requirement for earnest money in either the November 2, 2000 Purchase Agreement or the January 20, 2001 Real Estate Contract; 2) She did not include in the January 20, 2001 Real Estate Contract the terms from the Purchase Agreement, General Addendum for Respondent's purchase of a refrigerator or negotiation by the parties should the appraisal value of the property exceed the purchase price; 3) She did not advise Complainants that the increase of the purchase price in the January General

Addendum would result in her execution of a second mortgage in favor of Complainants and their release of that mortgage at closing; 4) She did not advise Complainants to consult a tax expert regarding their tax liability resulting from the increase in the purchase price in order for Respondent to obtain the desired amount of financing; and 5) She did not advise Complainants that the appraised value of the property was \$98,000.00.

The parties' November 2, 2000 Early Occupancy Agreement stated that the buyer shall do no work in and to the property prior to closing without written permission from the seller. Upon occupying the property Respondent proceeded to make numerous repairs prior to closing with no written permission from the Complainants.

Ms. Joyner's conduct in making changes to the January 20, 2001 Real Estate Contract and General Addendum, not obtaining Complainants' approval of said changes, and not providing copies of the documents as amended to Complainants constitutes improper, fraudulent, and dishonest dealings.

A Recovery Fund Hearing was held. Pursuant to Arkansas Code Annotated §17-42-401 et seq., the Commission ordered Ms. Joyner to pay the Complainants damages in the amount of \$600.00.

**Douglas Morris, Principal Broker, West Memphis:** In Formal Hearing #2054 the Commissioners ordered that "...Respondent Douglas Morris' license be immediately revoked and that he be fined \$3,500.00 payable to the Arkansas Real Estate Commission, with payment to be made within thirty (30) days following the date of this Order."

The Commission found Mr. Morris guilty of violating Arkansas Code Annotated §17-42-311(a)(4) and (6), and Commission Regulations 10.8(g)(1) and 10.10.

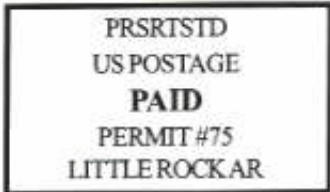
Mr. Morris failed to deposit funds received from Complainant pending closing of the January 24, 2001 Real Estate Contract into his trust account or deliver said funds to an Escrow agent.



**ARKANSAS REAL ESTATE COMMISSION**

612 SOUTH SUMMIT STREET  
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**Formal Hearing Decisions - continued**

He failed within a reasonable time after Complainant's rescission of the Real Estate Contract to account for or to remit Complainant's funds in his possession. He returned \$600 to Complainant on February 5, 2002 identified as "for partial amount due on 320 West Bond Street" but failed and refused to remit or to account for the remaining \$6,380 that Complainant had paid.

Mr. Morris made substantial misrepresentations to Complainant by representing in the January 24, 2001 Offer and Acceptance contract that he was buying 320 West Bond Street from the owner and was selling the property as owner/agent subject to the mortgage due the owner; knowing that the owner had died in November 2000, and Respondent had no written document that conveyed to Respondent any ownership interest in or authority to sell the property.

He failed to deliver a copy of the executed Real Estate Contract to Complainant.

A Recovery Fund Hearing was held. Pursuant to Arkansas Code Annotated §17-42-401 et seq., the Commission ordered Mr. Morris to pay the Complainant damages in the amount of \$6,880.00.

**Reda Salter, Principal Broker, Conway:** In Formal Hearing #2057 the Commissioners ordered that "... Respondent Reda Salter be issued a Letter of Reprimand to be placed in her license file, and she is required to take a 30 hour broker's class as approved in advance by the Arkansas Real Estate Commission's Executive Director, within six (6) months of the notice of the decision in this matter, and to pay to the Commission a fine of \$500.00, payable within thirty (30) days of receipt of notice of the Commission's decision."

The Commission found Ms. Salter guilty of violating Commission Regulation 8.5(a).

Ms. Salter failed to protect and promote the interest of her client Complainant Pearson. Respondent did not deliver to the Seller or Seller's agent written notice listing all items which the Complainant was requesting be repaired and to obtain evidence of receipt thereof from the Listing Firm within 10 business days of acceptance of the Real Estate Contract as required by Paragraph 15 (B) of the October 26, 2001 Real Estate Contract.

A Recovery Fund Hearing was held. Pursuant to Arkansas Code Annotated §17-42-401 et seq., the Commission ordered Ms. Salter to pay the Complainant damages in the amount of \$500.00.

*From the Executive Director...* (continued)

courses are offered in 6 classroom hour modules and are identified as follows:

1. Practical Application of Agency and Disclosure
2. Real Estate Contracts
3. From Contract to Closing
4. Agent and Broker Responsibility
5. Real Estate Policies and Procedures

Post license courses are only offered by approved real estate instructors, so check with a real estate school to be sure that a course and instructor meets the post license requirement. Courses are available but schedules depend on demand. Check with a real estate school of your choice well in advance of the date you must complete the education requirement to

schedule the courses. **If you do not complete the post license education requirement within one year of initial licensure your license will be placed on inactive until you complete the requirement. It's your responsibility. Don't procrastinate and wait to the last minute to complete post license education!**