



June 2005

ARKANSAS
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COMMISSIONERS

Debbie Rawls, Chair
Paragould

Doug Smith, Vice Chairman
Little Rock

Ina Martin
Russellville

Sylvester Smith, III
Little Rock

Roy Rainey
Little Rock

COMMISSION STAFF

Bill J. Williamson
Executive Director

Gary C. Isom
Deputy Executive Director

ARKANSAS REAL ESTATE COMMISSION NEWSLETTER

FROM THE DESK OF THE EXECUTIVE DIRECTOR...

NEW COMMISSIONER APPOINTED

Roy Rainey of Little Rock was appointed by Governor Huckabee to serve a three-year term on the Arkansas Real Estate Commission.

Rainey has been a Realtor® for almost 25 years and is a second generation Realtor®. He is a broker/owner of Rainey Realty, a 75 person company in Little Rock.

Roy was the 1991 Arkansas Realtor of the Year and was named the Little Rock Realtor of the Year three times. He was elected President of the Little Rock Board of Realtors® in 1993 and in 1997, was elected the youngest President of the Arkansas Realtors® Association. He was the 2001 Regional Vice President for the National Association of Realtor® for Region 9 of Arkansas, Oklahoma, Kansas and Missouri.

In 1995, he was elected by the National Association of Realtors as a Director for the Realtors® Information Network. He was one of the co-founders of Realtor.com® and Homestore.com. He spent seven years working on this project to protect his industry.

He is an accomplished software developer and created and owns an Internet venture called LeadRouter which he has recently sold to the real estate giant, Cendant Corporation. He also developed and owns Do Not Call Sentry which is a leading DNC product in the country.

Roy is also involved in the homebuilding industry and serves as President of Roy D. Rainey & Co. and is also a Life Director of the Greater Little Rock Homebuilders Association.

He and his wife, Adriene, are members of Christ the King Catholic Church and have three children, Katie, 18, Roy III, 14, and Lizzie, 13. They reside in Little Rock.

NEW COMMISSION CHAIR AND VICE CHAIRMAN

At its March meeting the Commissioners elected Debbie Rawls of Paragould to serve as Chair. Doug Smith of Little Rock was elected Vice Chairman.

2005 ACTS AMENDING THE AREC REAL ESTATE LICENSE LAW

Act 560 of 2005

This Act provides that a licensee transferring to another firm cannot take documents or information belonging to the previous firm. The change adds **“or Firm”** to make it clear that the statement that licensees must sign when transferring, that the licensee is not taking any



ROY RAINEY

documents, contracts, etc. belonging to the principal broker also includes the firm. This change recognizes that the documents may belong to the firm, when the principal broker is not the owner of the firm.

This Act will be effective 90 days after the General Assembly adjourns.

Act 561 of 2005

This Act authorizes a Principal Broker to designate an Executive Broker to supervise licensees at a Branch Office.

The Broker at a Branch office location designated as the supervising broker will be licensed as an Executive Broker instead of a Principal Broker.

This Act will be effective 90 days after the General Assembly adjourns.

Act 657 of 2005

This ACT authorizes AREC to require State and Federal FBI checks for criminal

convictions, which will insure that any Federal or criminal convictions in other States are reported in addition to Arkansas.

The Criminal Background check will require the taking of fingerprints and the applicant will be responsible for payment of any fee.

If an applicant is denied a license based on a criminal conviction, the applicant can request a hearing before the Commission.

This Act will be effective January 1, 2006.



Act 1173

This Act authorizes AREC to establish procedures by regulation for real estate licensees to follow when conducting a real estate auction.

To insure that real estate licensees who auction real estate are knowledgeable about the auction process, this Act also requires that a real estate licensee who auctions real estate hold an Auctioneer license. However the Real Estate Commission will have sole jurisdiction over real estate licensees who auction real estate.

This Act will be effective 90 days after the General Assembly adjourns.

For copies of the above referenced Acts please send a SASE to AREC with your written request.

IS YOUR LICENSE VALID?

Understanding EFFECTIVE DATE

By Joyce Wilkerson, License Supervisor

Several AREC forms have an "effective date" for Licensees to complete regarding issuance of a license. The effective date is the date you want your license active. Since it takes a few days to process and print a license, a copy of the form you send to AREC, with the "effective date" you filled in serves as a Temporary License for 30 days or until you receive a license and pocket card in the mail if less than 30 days. Sounds simple?

However licensees sometime fill in the "effective date" and either send the form to AREC without the required information or forget to send the form to AREC until after the 30-day Temporary License has expired.

For example, a form to activate a license was received by AREC on April 15 but had an effective date of January 15. If AREC used the effective date on the form to process the license, the 30-day Temporary License period expired February 15. The licensee trying to activate the license as of January 15 was actually practicing real estate without a license from February 16 until receipt of the form on April 11. Don't let that happen to you. Principal Brokers remember you sign these forms and are responsible for making sure Licensees with your firm actually hold a license and pocket card. In the example referenced, the license would not be issued until receipt of the actual form and requested information, which was April 15.

All AREC forms that have an "effective date" and used as 30-day Temporary Licenses have the following warning:

"A photocopy of this completed form with an ORIGINAL principal broker signature is a valid temporary license for thirty days from the date the principal broker signed it. A temporary license will be valid ONLY if all requested data and fees are ***immediately*** sent to AREC."

If the information is not immediately sent to AREC, you do not have a valid Temporary License, and you could be found in violation of the License Law and Regulations if you are conducting real estate transactions.

Temporary licenses were designed to allow licensees to begin working in their profession without the added delay in processing paperwork and having to wait to receive their printed license from AREC. However, a 30-day Temporary License is based on the "effective date" and whether it is timely received by AREC to be valid.

If you have any questions about this article please contact the AREC license staff.

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 November 2004 through April 2005. Formal Hearing Decisions that have been appealed are not listed.

Allen R. Stotlar, Associate Broker, North Little Rock: In Formal Hearing #2078 the Commissioners voted unanimously "...that Respondent Allen R. Stotlar's real estate license be revoked immediately."

The Commission found Mr. Stotlar guilty of violating Arkansas Code Annotated §17-42-311 (a)(4) & (11) and Commission Regulations 8.5 (a), 10.1 (b), 10.7 (a)(1), 10.10 (a) and 10.12 (b).

Respondent Stotlar failed to see that all agreements of the parties were in writing and that signed copies of the agreements were delivered to the Complainants. The agreement by the builder to purchase the property of Complainants was not reduced to writing. Complainants did not receive a signed copy of the August 27, 1999 Real Estate Contract. The verbal agreement to void the contingency in

the August 27, 1999 Real Estate Contract was not reduced to writing.

He failed to sign the August 27, 1999 Real Estate Contract as Selling Agent.

He engaged in real estate activity independent of his Principal Broker. He failed to present the August 27, 1999 Real Estate Contract to his Principal Broker or provide notice thereof.

Mr. Stotlar failed to deliver Complainants' earnest money to his Principal Broker, to cause said earnest money to be deposited into his broker's trust account, or otherwise be deposited in escrow pursuant to his broker's instructions.

Respondent Stotlar made substantial misrepresentations to Complainants. Respondent represented to Complainants that the builder was an experienced and competent builder and that Respondent had no interest or relationship with the builder. Respondent knew that the builder had some experience in construction and that the builder relied on Respondent to oversee the construction of Respondent's and other clients' homes, and Respondent had a verbal agreement with the builder to share the profits from the construction of Complainants' and others homes.

In another complaint Mr. Stotlar did not protect and promote the interest of the Complainants by not recording or advising Complainants to record with the Faulkner County Clerk the Note and

Mortgage in the amount of \$40,563.65 which was executed at the July 10, 2000 closing of Lot 56.

He failed to see that all agreements of the parties were in writing. The agreement between the builder and Complainants that the excess funds received by the builder in the amount of \$40,563.65 were to be used to complete the construction of Complainants house on Lot 14 was not reduced to writing.

Mr. Stotlar made substantial misrepresentations to Complainants. He represented to Complainants that he had no interest or relationship with the builder and that the builder was an experienced home builder when Respondent Stotlar knew that the builder had only been in the construction business part time and held a full time job in addition to the construction company and that the builder relied on Respondent to oversee the construction of Respondents' home and others.

A Recovery Fund Hearing was held. Pursuant to Arkansas Code Annotated §17-42-401 et seq., the Commission ordered that Complainants were not entitled to any recovery from the Recovery Fund.



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BUILDING OWNERS AND MANAGERS ASSOCIATION (BOMA)

BOMA, Building Owners and Managers Association of Greater Little Rock, is a non-profit international organization with a strong chapter in Little Rock. Our membership includes most, if not all, of the Prominent Developers and Property Management Firms in Central Arkansas.

Dave Carter of Moses Tucker Real Estate has been elected President of the Greater Little Rock Chapter of BOMA, Building Owners and Managers Association. Other officers and board members include Betty Riley of City of Little Rock Public Works, Vice President; Cheryl White of Flake & Kelley Commercial, Treasurer; Jennifer Lester of Presidio Commercial Services, Past President; Johnny Kincaid of Hathaway Group, Advocacy Chair; Denise Bowers of Collier Dickson Flake Partners, Membership Chair; Sharon Parker of Metro Builders & Restoration Specialists, Communications Chair; Heather Smalec of Presidio Commercial Services, Education Chair; Lance Kinley of H2Oipitmal, Golf Chair; Tina Shelby of PLANTation

Services, Associates Chair; & Janet Alton, BOMA GLR Executive Director.

The Building Owners and Managers Association of Greater Little Rock (BOMA) is a dynamic International Federation founded in 1907, whose mission is to advance the performance of commercial real estate through advocacy, professional competency, standards and research. BOMA of Greater Little Rock is an organization comprised of downtown and suburban commercial properties and facilities of Arkansas whose members manage and/or own over nineteen million square feet of commercial property. Through BOMI Institute, BOMA offers (RPA) Real Property Administration and (FMA) Facilities Management Administrator professional as well as (SMT) Systems Maintenance Technician and (SMA) Systems Maintenance Administrator designations.

NATIONAL ASSOCIATION OF RESIDENTIAL PROPERTY MANAGERS (NARPM)

Attention Property Managers

Are you a real estate licensee managing residential properties? The National Association of Residential Property Managers (NARPM) invites you to join our organization for lunch, educational opportunities and networking.

Meetings are held monthly and we invite you to attend as our guest.

For further information or to learn more about this exciting organization, contact our Membership Chairpersons - Steve Hendrich (501) 664-0800 in Little Rock, or Paul Chmura (888) 477-2248 in Hot Springs.

**MOVING TO ARKANSAS
A TAX GUIDE FOR NEW RESIDENTS**

by Dept of Finance and Administration
Click web link at AREC website

www.arkansas.gov/arec