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July 2022

Arkansas Real Estate Commission

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ARKANSAS REAL ESTATE COMMISSION NEWSLETTER

Executive Director Comments

By Andrea S. Alford, AREC Executive Director

In 2012, the Commission conducted a pilot program to evaluate the effectiveness of our new broker pre- and post-license curriculum with candidates for broker licensure. I will never forget how many of those candidates (who entered the program as salespersons) marveled at the level of responsibility a supervising broker carries. Several students even called their brokers during breaks to express appreciation for everything their brokers did. While not every salesperson will gain this insight into broker

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In Remembrance of Commissioner Robert "Bob" Walker

The Arkansas real estate industry recently lost a valued leader, friend, mentor, and true gentleman. It is with extreme sadness that the AREC and real estate professionals across the state bid goodbye to Robert "Bob" Michael Walker, who passed away on October 24, 2021. Mr. Walker was appointed to the Commission by Arkansas Governor Asa Hutchinson on January 1, 2017 and served until his passing. During his tenure on AREC, he served as Vice Chair and Chair. His real estate career spanned over 40 years. There are no adequate words to describe Mr. Walker's passion for his profession and his love of mentoring new real estate professionals. As a commissioner, he never forgot his duty to ensure the public was protected and was instrumental in championing laws and regulations that served the public interest. In November of 2021, the Commission created the Bob Walker Education Task Force to honor Mr. Walker's commitment to real estate education.



Former AREC Chair Tony Moore shared these thoughts about Mr. Walker:

"Commissioner Bob Walker learned how to disagree without being disagreeable. Wouldn't our world be a better place if we practiced it the way he did. Bob had perfected the art of listening to others without interruption. His brilliant mind brought wisdom from gentle lips, anchored by the beat of a caring heart. He volunteered his time without reservation so that the Real Estate Industry would be a better place than he found it and personally, I believe he succeeded. Bob was good without being boisterous, faithful without fanfare, friendly even when it wasn't returned. I have personally witnessed Bob going from the hospital late at night to commission hearings the next morning. "Oh just a light heart attack," the Doctor said; and that was after I prodded him into telling me what was wrong. Through all of his medical problems he never once complained. He was dependable, hardworking, and passionate about better education for agents in Arkansas. Bob Walker gave every effort to do something about it. May God send us another warrior who can pick up the fallen sword and shield that was Bob Walker's."

Executive Director Comments

By Andrea S. Alford, AREC Executive Director

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responsibility, every broker should possess it. All supervising brokers need to be aware of the full scope of their responsibilities as supervising brokers. To that end, the Commission is working to create opportunities for supervising brokers to learn and grow in the performance of their duties.

When I review complaint investigation reports, it is not uncommon to see a statement from the Respondent's Principal Broker to the effect of: "I had no idea there was a problem until the complaint was filed..." or "I signed all the documents, and my agent never told me they needed help." When I read this, I cannot help

"All supervising brokers need to be aware of the full scope of their responsibilities as supervising brokers."

but wonder what would happen if one of the employees under my supervision made a serious error in carrying out their job duties, and my explanation to the Commissioners was: "I had no idea there was a problem." I am certain I would hear a resounding: "You sure should have." And in all but the most far-flung of scenarios, they would be correct. The same concept applies to supervising brokers. Now, it is true that sometimes no one knows there was a problem with the

transaction until the complaint gets to us. However, in most cases I review, the Principal Broker would have been aware of the situation if they had been properly supervising their agent.

There are many resources available on the AREC website for Principal Brokers: from the License Law and Commission Rules to the Brokers' Self-Evaluation Guide to the Office Exam Procedures and more. If you are a supervising broker, I cannot encourage you strongly enough to thoroughly familiarize yourself with your responsibilities and carry those responsibilities out with all care and diligence. To those brokers who are diligently carrying out their duties with the utmost care for Arkansas consumers, we say thank you and carry on. As always, AREC staff are standing by to answer your questions anytime.

Governor Appoints Eugene Post to the Commission

Eugene Post was recently appointed to the Arkansas Real Estate Commission in February 2022 by Governor Asa Hutchinson. This is specifically a "consumer" position (not a licensed Broker) and also is specifically age 65+ to represent seniors in our state. Commissioner Post has spent most of his career in the oil and gas industry as an exploration geologist. After graduating from the University of Arkansas in 1982 (BS and MS in Geology), Commissioner Post worked for XTO Production Company in Fort Smith until 1990. From then on to present, Post has been active as an independent producer of oil and gas, primarily in the Arkoma Basin of Arkansas.

Originally from Altus, Commissioner Post grew up in the family wine business (Mount Bethel Winery). Still today, Post spends a significant amount of his spare time managing the vineyards for both Mount Bethel and Wiederkehr Wineries. Other business ventures include a retail liquor store in Fort Smith, managed with the help of his son Nick and daughter-in-law Kyrie, and in recent years, a few thoroughbred racehorses that run at Oaklawn.



Commissioner Post currently resides in Fort Smith with his wife of 39 years, Lori (Duerr) Post. They have three children, Ashley Rausch of Fayetteville, Nick of Fort Smith, and Justin of Bentonville, and five grandchildren. Commissioner Post lists horseracing, beekeeping, and genealogy as his hobbies, and is an avid hunter and outdoorsman. On a lighter note, Commissioner Post is quick to point out his position as commissioner of one continuous fantasy football league for 38 years!

Legislative Updates

The Arkansas Real Estate Commission held a public hearing on April 11, 2022, to receive public comment on the adoption of rules that have been promulgated pursuant to legislative action taken during the 2021 Regular Session of the Arkansas General Assembly. The new and amended rules are effective on July 1, 2022. The following rules, have relevance for real estate consumers, licensees, and applicants.

- Rule 3.4 Waiver of Fees is responsive to Act 725 of 2021 which required agencies to promulgate rules to waive certain fees for license applicants who receive certain state benefits or fall below 200% of the Federal Poverty Income Guidelines.
- Rules 4.5, 6.1 and 11.1 are responsive to Act 135 of 2021, which provides for automatic licensure for uniformed service members, veterans and their spouses as well as an extension of certain expiration dates for licenses and a full exemption from certain education requirements for a deployed uniformed service member or spouse during deployment and re-entry.
- Rule 4.6 is responsive to Act 748 of 2021 and therefore amended to reflect those offenses previously considered permanently disqualifying are now considered disqualifying offenses for which an applicant must obtain a waiver in order to hold a license.
- Rule 4.7 is responsive to Act 746 of 2021 and establishes that individuals holding a Federal Form I-766 USCIS Employment Authorization Document or “work permit” and who otherwise fulfill licensure requirements shall be issued a license by the Arkansas Real Estate Commission.
- Rule 13.1 is responsive to Act 733 of 2021, which establishes a registration requirement for time-share interest transfer services providers who operate in the state. The proposed amended rule will establish the registration and renewal fee and bond requirement amounts as set forth in the Act.

More information can be found on the AREC website at https://arec.arkansas.gov/news_post/notice-of-proposed-rules-and-rule-amendments/.

Rule Recap: Advertising and Teams

AREC continues to be made aware of licensees who are advertising outside the bounds of Commission Rule 10.5, particularly with regard to teams. As a reminder, Principal Brokers and every agent licensed with them can only perform brokerage activities under the Principal Broker’s firm name as it appears on their real estate license. Team names, personal names and DBA names may not be displayed in any manner that would lead to the team name being construed as a real estate firm name. Taking it a step further, “teams” should not be performing brokerage activities under the team name but under the Principal Broker’s firm name.

There is no prohibition against including a team name in an advertisement so long as the advertisement complies with AREC Rule 10.5, which requires licensees to advertise in the manner in which they are licensed. AREC does not recognize teams from a licensing perspective. For this reason, where a team name is included in an advertisement, the firm name must also be included and must be more prominent than the team name. Licensees who belong to teams and wish to include their team names in advertisements should consult with their Principal Brokers to obtain a copy of the firm’s advertising policy and receive guidance on complying with AREC Rule 10.5.

Commission Reappointments

Doyle Yates was recently re-appointed to the Arkansas Real Estate Commission in January 2022 by Governor Asa Hutchinson to complete the term of Commissioner Bob Walker, now deceased. He was elected Chair of the Commission in February 2022. Commissioner Yates previously served the Commission from 2015 to 2021. Commissioner Yates obtained his real estate salesperson's license in 1975 and his real estate broker's license in 1977. He holds the National Association of REALTORS® designations of Certified Residential Brokerage Manager, Certified Residential Specialist, Graduate REALTOR® Institute, and is past president of the Northwest Arkansas Board of REALTORS® and was that board's REALTOR® of The Year in 2015. Previously, Commissioner Yates was the 1998 president of the Metro Area Board of REALTORS® and that board's two-time REALTOR® of the Year in 1998 and 1999. For the past 12 years he has served on the National Association of REALTORS® Board of Directors. Commissioner Yates is NAR's Federal Political Coordinator for Senator John Boozman's office and was the 2021 Vice President of Region IX of the National Association of REALTORS®.



On a state level, Commissioner Yates was the 2002 President of the Arkansas REALTORS® Association and was the 1999 Arkansas REALTOR® of The Year. He has served for more than 20 years on ARA's Board of Directors. Commissioner Yates would tell you that promoting, protecting, and improving this industry is the reason he volunteers his time to AREC as well as REALTOR Associations. He says the most rewarding part of his position as a Managing Broker is to be a part of the growth and success of so many people in real estate. As Executive Vice President of Coldwell Banker Harris McHaney & Faucette, he has helped lead his company for the past 29 years. Recently, his company was recognized by the NW Arkansas Business Journal as the #1 Residential Real Estate Company in NW Arkansas for 2021.

Tony Moore was recently re-appointed to serve a third term as Commissioner to the Arkansas Real Estate Commission by Arkansas Governor Asa Hutchinson. During his first and second term as Commissioner, Commissioner Moore served as both Vice-Chair and Chairman.

Commissioner Moore has held designations such as the National Association of REALTORS® Certified Residential Brokerage (CRB), Certified Residential Specialist (CRS), Accredited Land Consultant (ALC), and Graduate of REALTOR® Institute (GRI) designations. He continues to maintain his top producer status, receiving 16 Diamond sales awards for personally closing over \$7 million in real estate transactions each year.

Being a licensed Real Estate Instructor, Appraiser and a published author are just a few of the many accomplishments achieved over Commissioner Moore's 39 years in the real estate industry. Moore has served his community as Past President of the Russellville Kiwanis Club and as a member of the Russellville Chamber of Commerce, along with numerous other boards and committees throughout the community and as a member and a Sunday school teacher at Pottsville First Baptist. Moore and Company Realtors is a family business started by Commissioner Moore, along with his wife Rebecca in Russellville in 1997 and now includes both his sons Caleb and Jacob, who are executive brokers in the company.



Education Spotlight



A current topic of concern to AREC as well as other ARELLO® member jurisdictions is both the adequacy and quality of real estate education applicants and licensees are receiving. To address this concern, the Commission created the Bob Walker Education Task Force to advise AREC in addressing real estate education in Arkansas. Twenty-six brokers and educators are currently serving on this task force. It has been a bit of a revelation to hear recurring sentiments that have been expressed, not just by the task force members, but also applicants and licensees.

The top five statements include:

- 1) There was little in the pre-licensure course that prepared me for the exam.
- 2) Brokers are not trained in supervising licensees or brokers are not adequately supervising.
- 3) Licensees are taking the same CE topics over and over (not counting safety course).
- 4) Licensees are signing up for CE that fits their schedule and not for education relevant to them.
- 5) Courses contain inaccurate information.

The task force is currently studying five initiatives to address the concerns expressed. Those initiatives include recommending learning objectives for a proposed broker-specific education course, working on self-assessment tools for educators, updating the broker pre and post-license education book, hosting FAQs via social media, and improving systems to collect course feedback.

The Commission is deeply committed to improving real estate education, and we hope you will partner with us in that initiative. After all, it is incumbent upon all of us to hold each other accountable and continue to work towards making sure all applicants and licensees are properly trained and educated in conducting the intricate real estate practices that continue to evolve. Above all, real estate activity must be conducted in a manner that is ethical and protects all consumers.

CE Clarification

Do not confuse your REALTOR® board membership with your real estate license. The National Association of REALTORS® (“NAR”) requires the completion of an “ethics” course. This is NOT a requirement to maintain/renew your real estate license. Licensees who are board members must check with their local board to determine if the ethics course completed is acceptable. CE credit to renew a real estate license may be given to a licensee completing an ethics course, as long as that ethics course was approved by the Commission and is offered by a CE provider also approved by the Commission.

CE Updates

3-HOUR REQUIRED AGENCY COURSE FOR ALL 2022 LICENSEES

All active licensees must complete the 3-hour 2022 Required Agency course as part of their 7-hour CE requirement. All active licensees must also complete the mandatory 1-hour Safety CE.

So, what IS my CE requirement?

My license was issued (or reinstated) prior to 2022:

7 hours = 3-hour Required Agency Course + 1 hour safety + 3 hrs elective

My license was issued (or reinstated) in 2022:

Contact the AREC for more information about your requirements.

If you're not sure where to complete your annual continuing education, you can find the list of approved providers here:

<https://bit.ly/2022CERequirements>

Many education providers report your CE credits to AREC as a courtesy to you, but not all providers do so. Please keep in mind that YOU, the licensee, are responsible for making sure the CE certificates are turned in to AREC by the deadline. Don't let your education deadlines sneak up on you - take care of them early to keep your license compliant with the AREC! CE must be completed and submitted by December 31, 2022 to be considered “on time.”



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 January 2021 through December 2021. Formal Hearing Decisions still subject to appeal are not listed.



Respondents: Darryl A. Beasley, Principal Broker FH 3725
Gary L. Coleman, Principal Broker FH 3706
John Cox, Principal Broker FH 3722
Michael E. Driver, Principal Broker FH 3699
Gwendolyn Fields, Principal Broker FH 3696
Larry W. Hale, Principal Broker FH 3702
David Hill, Principal Broker FH 3698
Janice Huffstickler, Principal Broker FH 3705
David Lorton, Principal Broker FH 3700
William A. Lucky, Principal Broker 3704
Michael E. Montgomery, Principal Broker FH 3692
Brad D. Payne, Principal Broker FH 3723
Ray M. Ryburn, Principal Broker FH 3694
Robert Smith, Principal Broker FH 3697
Jennifer Stein, Principal Broker FH 3701

Violations: Arkansas Code Annotated § 17-42-311(a)(2) and Commission Rule 6.3(b).

Sanctions: The Arkansas Real Estate Commission ordered Respondent shall pay a \$350.00 penalty to the Arkansas Real Estate Commission, within 90 days of the date of this Order.

Summary: Respondents failed to renew their Arkansas Real Estate Broker Licenses and continued to participate in real estate activities while the license was expired.

Respondent: Nick Todd Dollins, Salesperson, FH 3662

Violations: Arkansas Code Annotated § 17-42-311(a)(2), 17-42-311(a)(11) and Commission Rules 9.2, 10.1 and 10.10

Sanctions: The Arkansas Real Estate Commission ordered that Respondent Dollins receive a letter of reprimand and must request to appear before the Commission if reinstatement of his license is requested.

Summary: During a transaction in which Respondent Dollins acted as the listing agent, Respondent Dollins failed to present a Termination of Real Estate Contract Addendum to his seller client and failed to provide information and documentation regarding the transaction to his executive broker or principal broker.

Respondents: Christopher Lopez, Unlicensed; Matthew Bennise, Unlicensed; Michael Farris, Unlicensed; William Thomas Blume, Unlicensed, FH 3637

Violations: Respondents Lopez, Bennise, Farris, and Blume - Arkansas Code Annotated § 17-42-105(a)(1) and 17-42-109.

Sanctions: The Arkansas Real Estate Commission ordered that a penalty of \$5,000 be assessed to each of the four Respondents, Blume, Farris, Bennise, and Lopez. Respondents Blume, Farris, Bennise and Lopez were ordered to jointly and severally pay restitution totaling \$14,830 to two complainants.

Summary: Respondent Lopez was the Registered Agent for Resort Advocates Group, LLC. While he did not hold an Arkansas Real Estate License, Respondent Christopher Lopez held himself out as being engaged in the business of negotiating and offering the sale, exchange, or purchase of real estate property, specifically timeshare interests, with the intent to transfer timeshare interests by deed. While they did not hold Arkansas Real Estate Licenses and acting as representatives of Resort Advocates Group, LLC, Respondents Bennise, Farris, and Blume entered the state of Arkansas and met with owners of timeshare properties and attempted to sell, exchange or purchase timeshare interest through negotiations with Arkansas resident timeshare owners. After the



FORMAL HEARING DECISIONS

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timeshare owners paid Resort Advocates Group, LLC to transfer their timeshare interests Respondents failed to either secure the transfer of the timeshare interests or refund fees to the timeshare owners.

Respondents: Nicholas Edgar Gatlin, Salesperson and Tara Limbird, Principal Broker, FH 3634

Violations: **Respondent Gatlin** - Arkansas Code Annotated § 17-42-311(a)(2), 17-42-316(b)(2)(G) and Commission Rules 8.5(a) and 10.6.

Respondent Limbird- Arkansas Code Annotated § 17-42-311(a)(2), 17-42-316(b)(2)(G) and Commission Rules 8.5(a), 10.4(b), and 10.6.

Sanctions: Respondent Gatlin - The Arkansas Real Estate Commission Ordered that Respondent Gatlin pay a fine of \$500 within 30 days of the date the order was served upon him and that Respondent Gatlin complete three hours of continuing education in agency within three months of the date of the hearing.

Respondent Limbird – The Arkansas Real Estate Commission ordered that within six months of the hearing, Respondent Limbird schedule with the Commission a date for the Commission to make a presentation to Respondent Limbird's firm on the subject of agency.

Summary:

During the listing of a property for sale, a Buyers Agent notified Respondent Gatlin that, according to the county health department, the septic system was undersized for the size of the home. Respondent Gatlin failed to exert reasonable effort to ascertain the facts regarding the septic system and failed to protect the interests of his seller client. A contract offer was accepted which made Respondent Gatlin and everyone at the firm dual agents in the transaction. By failing to make the buyer aware of questions regarding the size of the septic system, Respondents Gatlin and Limbird also failed to protect the interests of their buyer client.

As a direct result of violations proven in formal hearing 3634, the Arkansas Real Estate Commission ordered that Respondents Gatlin and Limbird were directed to pay \$11,780.00, to the Complainant within 30 days of the Recovery Fund Order.

Respondent: Lance Alan Branscum, Principal Broker, FH 3683

Violations: Arkansas Code Annotated § 17-42-311(a)(2, 6, 9, 11, 12) and Commission Rules 6.2(c), 8.5(a), 10.7(b)(1), 10.8(c), 10.8(g)(1),

Sanctions: The Arkansas Real Estate Commission ordered that Respondent Branscum receive a letter of reprimand and must request to appear before the Commission if reinstatement of his license is requested.

Summary: Respondent Branscum entered into a property management agreement with a homeowner and leased the property to a tenant. Respondent Branscum collected rent over an extended period of time and failed to deposit rental income into his firm's trust account. Respondent Branscum also continued to collect rent while his broker license was inactive and expired. Upon the termination of the property management agreement, Respondent Branscum failed to submit the last month's rent to the owner and failed to forward the security deposit to either the owner or the tenant.

Respondents: Matthew Grissom, Salesperson and Janet Barrow, Principal Broker, Recovery Fund Hearing, FH 3453

As a direct result of violations proven in a previous disciplinary hearing, the Arkansas Real Estate Commission ordered that Respondents Grissom and Barrow were directed to pay \$6,521.37, which was \$4,500 for damages and \$2,021.37 for attorney's fees to the Complainants within 30 days following entry of the Commission's final order.

Arkansas Real Estate Commission
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RENEW ONLINE BY SEPTEMBER 30, 2022

www.arec.arkansas.gov

RENEW ONLINE TODAY

www.arec.arkansas.gov

**All active licensees are required to complete
a total of 7 of hours of CE to include the following:**

- ***1 hour of Safety***
- ***3 hours of 2022 Required Agency Course***
- ***3 hours of Elective Topics***

Scan Code below for
Online Renewal Portal



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All payment information will be handled securely and will not be stored on our systems. Secured by DigiCert SSL.