



## Three New Commission Members



Roy Bragg



Sheila Hodges



Lyman Lovejoy

**T**hree new Commissioners appointed by Governor Siegelman and confirmed by the Senate now constitute the nine-member Alabama Real Estate Commission. Roy Bragg, Sheila Hodges and Lyman Lovejoy all began working with the Commission on October 1, 2001; each term will be effective through September 30, 2006.

**Roy Bragg** returns to the Commission after serving two past terms from October 1, 1976 through September 30, 1986. He now serves from the Sixth Congressional District. Bragg graduated from Georgia Southern University and obtained his masters degree from the University of Alabama. He joined J.H. Berry Realty in 1958 and became president of the company in 1964. He currently serves as chairman of J.H. Berry & Gilbert, Inc. Bragg led the company through the 60's, 70's and 80's, specializing in multifamily real estate and investment brokerage. His other professional accomplishments include the Society of Real Estate Appraisers and the Counselors of Real Estate designa-

tions; Birmingham Association of REALTORS — past president; and Alabama Association of REALTORS — past president.

**Sheila Hodges** is serving from the First Congressional District. In 1978 Hodges became licensed as a real estate salesperson and received the designation of "Graduate of Realtor Institute" (GRI) in 1979. In 1980 Hodges was licensed as a real estate broker and in 1984 received the Designation of "Certified Residential Broker" (CRB), from the National Association of REALTORS. She is the president of Meyer Real Estate in Gulf Shores, Alabama, which has been selected as Quality Award winner for Alabama in the small business division. Under Hodges' leadership, Meyer Real Estate has grown from a half dozen sales agents to over 130 employees and 40 sales associates.

Hodges' other professional accomplishments include serving as president on the Baldwin County Association of REALTORS, State Director and numerous other committees for the Alabama Association

of REALTORS from 1985-1995; and Southern Region vice-president in 1997. Her civic interests have included past

*(Continued on page 2)*

### In This Issue

Commission Awards Contract for Group Errors and Omissions Insurance .....	2
AREC Staff Changes .....	2
Random Office Inspections, Audits and Other Stuff .....	3
Education Corner: CE — What's Up? .....	4
2002 Real Estate Exam Dates and Fees .....	5
Briefly Legal: Commissioners Amend RECAD Form .....	7
Internet Use and the Residential Real Estate Brokerage Market .....	8
Holiday Closings for 2002 .....	9
Disciplinary Actions Taken .....	10
Change of Addresses .....	12

president of Alabama Gulf Coast Chamber of Commerce, South Baldwin Chamber of Commerce, Baldwin County United Way, and the Alabama Gulf Coast Convention and Visitors Bureau.

**Lyman Lovejoy** is serving from the Third Congressional District. Lovejoy has been owner and broker of Lovejoy Realty for thirty years. He has offices located in Odenville and Moody, Alabama. He was honored as St. Clair REALTOR of the year in 1998. His professional accomplishments include charter member, president (two separate terms), and Board of Directors for the past fifteen years of the St. Clair Association of REALTORS.

Lovejoy's affiliations include being a member of the Alabama Association of REALTORS Board of Directors in 1997 and 1998; ARPAC Trustee for the Alabama Association of REALTORS; vice-president of the Moody Business Association; member of St. Clair County Economic Development Board; board member of Colonial Bank (formerly Ashville Savings Banks for 20 years); and member of Colonial Bank Central Alabama Board of Directors. ■

## Commission Awards Contract for Group Errors and Omissions Insurance

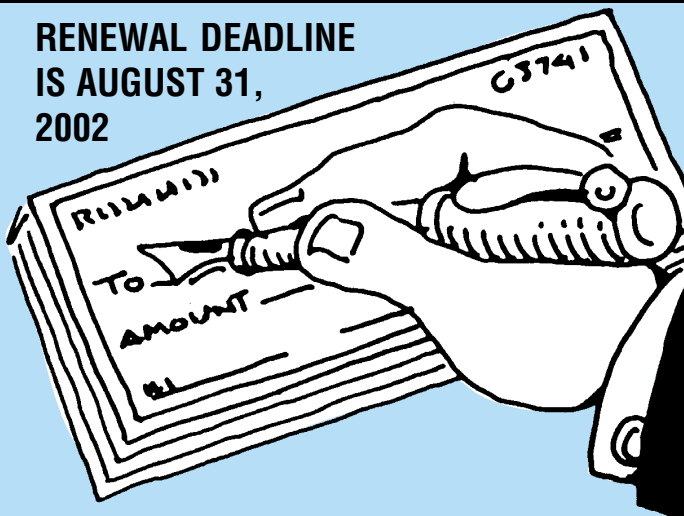
*By D. Philip Lasater, Executive Director*

The Code of Alabama 34-27-35.1 mandates errors and omissions insurance coverage as a condition for holding an active Alabama real estate license. Be advised that the Real Estate Commission has completed its statutory responsibility with regard to contracting for an errors and omissions insurance provider.

There was one respondent to the competitively solicited Request for Proposal (RFP). Rice Insurance Services Company met all the requirements of the RFP. Commissioners voted to award the contract to Rice Insurance in Tuscaloosa on February 21, 2002. The contract has been fully executed. Licensees can expect to hear and receive more details from Rice Insurance regarding participation in the group program. In the meantime, inquiries may be directed to 1-800-637-7319. ■

### ••• IMPORTANT ••• New License Renewal Fees for 2002

**RENEWAL DEADLINE  
IS AUGUST 31,  
2002**



#### **SALESPERSON & COMPANY FEES**

- \$135** (\$65 per year plus \$5 Education fee)
- \$285** (includes \$150 penalty) if paid September 1, 2002 to September 30, 2003

#### **BROKER FEES**

- \$155** (\$75 per year plus \$5 Education fee)
- \$305** (includes \$150 penalty) if paid September 1, 2002 to September 30, 2003

## AREC Staff Changes

We are pleased to announce and welcome **Anthony Brown** and **Leslie Fearn** to the Commission. Anthony joined the Investigative and Legal department recently as an auditor. He is now randomly examining Alabama real estate companies for accuracy in their trust accounts, monitoring broker compliance with RECAD (Real Estate Consumer's Agency and Disclosure Act) and compliance with other real estate law requirements.



*Brown*



*Fearn*

Leslie is the new Assistant to the Executive Director, D. Philip Lasater. She came to the Commission from the Department of Public Health and, previously, was the Secretary to the Chief of Staff of a large hospital in Portland, Oregon.

Best wishes to **Betty Anderson**, Licensing Assistant, and **Kike Germanos**, Education Assistant, who both retired from the Commission on

December 31, 2001. Their dedicated service to licensees and the public, over the many years, will be missed by all.

# Random Office Inspections, Audits And Other Stuff

By David Erfman, Chief Investigator

**A**s a qualifying broker for a real estate company in Alabama, (and for that matter most of the fifty states) your company is subject to be visited for an office inspection and a trust account audit. The Code of Alabama 1975, as amended, Section 34-27-36 (a)(31) requires that the qualifying broker keep in his/her files copies of all contracts, leases, listings, and other records pertinent to real estate transactions for a period of three years. Section 34-27-36 (a)(8) has to do with accounting for funds belonging to or being held for others in separate federally insured accounts located in Alabama. Section 34-27-36 (a)(28) says it is a violation of the real estate license law to fail to or refuse to produce, for inspection by the Commission or its authorized personnel or representative, a document, book or record in your possession concerning a real estate transaction. Finally, Section 34-27-36 (a)(29) indicates you have violated the real estate license law if you fail, within a reasonable time, to provide information requested by the Commission during an investigation or after a formal complaint is filed.

It is basically those portions of the Alabama Real Estate License Law, as amended, that random and routine office inspections and audits of trust accounts are based. Most of the time, all is well and the Commission's representative is able to answer some questions for the licensee. Most of the time, the visit is cordial and all are happy campers at the conclusion of the audit. A critique sheet is left with the qualifying broker to give any comments they might have on the process, whether those comments are positive ones or negative ones.

On rare occasions, the audit and inspec-



tion is not random, but directed because there has been a complaint from someone. Perhaps the licensee gave the Commission a check for their license fees on the company trust account or their trust account check bounced. The following things actually happened on random and routine office visits in the past. The names have been omitted purposefully.

Case in point: The auditor identified herself, was given a desk to work from during the audit and she began checking licenses, securing checkbooks, ledgers, etc. One of the company personnel (not the qualifying broker) was someone who had access to and was able to sign checks on the trust account. While the auditor was working, this person came to her and told her that she would find out anyway, so he was going to tell her in advance his problem. He was a homebuilder and was "borrowing" funds from the trust account

to build the homes. When one was finished, he would close and take those funds and replace them into the trust account until he needed to "borrow" some more funds. The auditor had come at one of those times before his house closed and the funds were not there.

Case in point: Two auditors were conducting the office visit and observed that the office was very new construction and very nicely furnished. The broker remarked how nice it was that he did not have to pay any interest on a construction loan because he had been able to use the trust account funds and pay as he went, then replaced the funds. This was probably the wrong thing to tell Commission personnel!

If you have a random office visit, please know you are not being unduly picked on and that the Commission wants to cause you as little inconvenience as possible. ■

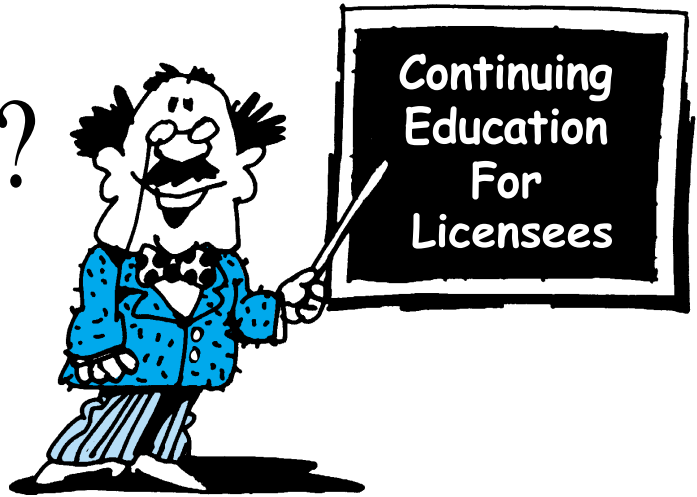
## EDUCATION CORNER

# CE-WHAT'S UP?

By Pat Anderson, Education Director

Several things have changed regarding continuing education this license period.

Please read this article carefully! You will need to know these requirements in order to renew your license on a timely basis.



**Q.** *When must CE be completed?*

**A.** **No later than August 31, 2002** in order to avoid paying a \$150 penalty fee.

**Q.** *How many hours are required for license renewal this year?*

**A.** **15 hours**

**Q.** *What courses will meet the 15-hour requirement?*

**A.** **3 hours** in Risk Management  
**3 hours** in one of the following mandatory courses: License Law, RECAD, Fair Housing  
**9 hours** in approved electives

**Q.** *Can I take more than 3 hours of the mandatory courses and still receive CE credit?*

**A.** **Yes.** After the mandatory requirement is satisfied, other mandatory courses you complete will go toward fulfilling your 9-hour elective requirement.

**Q.** *Does the Commission require Code of Ethics?*

**A.** **No.** If taken, it counts as an elective course.

**Q.** *What happens if I take a course more than once in the same license period? Do I still get credit for the course?*

**A.** **Yes,** there was a rule change to allow licensees to receive credit each time an approved course is taken even though it may be a repeat of a course previously

completed in the same license period. So, if you want to take License Law (or any other course) two or more times, go for it.

**Q.** *Can I take a course in another state and have it count for continuing education credit for renewal of my license? For example, I live on the Georgia state line and a school there is offering a course I am interested in taking. If I take it, will it count for CE credit here?*

**A.** **Yes,** provided the course is approved for continuing education credit by another state AND provided you obtain a letter either from the school or the Real Estate Commission, which has approved the course, that the course is approved for CE credit. You can receive **ONLY** elective CE credit in this manner and the course will count as the same number of hours as shown on the documentation you obtained from the school or Real Estate Commission.

**Q.** *Suppose I take a course at a convention out of state and the course is approved by another state's Real Estate Commission. I know I can receive credit but what if they don't have the official "Alabama CE Certificate" to give me. Can I still get credit?*

**A.** **Yes,** provided the certificate you are

given at minimum contains name of the course and course sponsor, location, date of course completion, number of hours attended, and instructor's signature. You will also need to obtain the proper documentation as described above from the course sponsor or a State Real Estate Commission that it is approved for CE credit.

**Q.** *Why did I get a Continuing Education Certificate from the Real Estate Commission in January? NOTE: If you hold an active license and did not receive a CE Certificate from the Real Estate Commission, check with your broker. In January, the certificates were sent to qualifying brokers for distribution to all licensees in that company.*

**A.** The Commission sent each licensee a certificate to verify the continuing education credit earned between October 1, 2000 and October 31, 2001.

**Q.** *Why did the Commission do that?*

**A.** **Rule 790-X-1-.12** in the License Law changed effective November 1, 2001, regarding the verification of continuing education credit. Through October 31, 2001, the Commission tracked each licensee's CE credit through an electronic reporting system called CePc. Due to technological problems with this process, the Commission has suspended this program for now. In the

meantime, licensees will be responsible for keeping their own CE certificates including the certificate mailed to them by the Commission.

- Q.** *How do I get another certificate from the Real Estate Commission if I lost mine or cannot locate it?*
- A.** **Send a written request for a duplicate CE certificate** and a \$10.00 check made payable to the Alabama Real Estate Commission. Include your name and either your license number or social security number and another certificate will be mailed to you.
- Q.** *For Active Licensees: Where should I keep my certificates?*
- A.** **Active licensees** should keep their CE certificates in a file in the office where their license is registered. Do not send them to the Real Estate Commission unless the Commission audits your records and asks you to send them.
- Q.** *For Inactive Licensees: Where should I keep any CE certificates that I may have?*
- A.** **Inactive licensees** should keep their CE certificates at home. If you have taken any courses, do not send either the Commission issued certificate or school issued certificates to the Commission unless asked by the Commission to do so.
- Q.** *Did all inactive licensees receive a CE Certificate from the Real Estate Commission?*
- A.** **No.** Only inactive licensees who have obtained some CE credit received a certificate of completion. That was only about 450 of the 8,000 inactive licensees.
- Q.** *Do inactive licensees have to renew their license in order to keep it?*
- A.** **Yes,** inactive licensees must renew their license no later than August 31, 2002, in order to avoid penalty and keep the license current.
- Q.** *Do inactive licensees have to complete the 15 hours of continuing education*

*by August 31, 2002?*

- A.** **No,** not if you do not want an active license on October 1, 2002. You must complete the 15 hours of continuing education prior to license activation.
- Q.** *I work at a branch office. Can my certificates be kept on file at the main office?*
- A.** **No.** The certificates must be kept at the branch office location for all licensees who are licensed at the branch. If the

main office wants copies, that is fine. That would be determined by company policy.

- Q.** *Is the qualifying broker responsible for keeping up with the certificates for all licensees in the company?*
- A.** **No.** Each licensee is responsible for keeping up with his/her own certificates. *(Continued on page 6)*
- Q.** *Can a qualifying broker require agents to turn in their certificates to him/her?*

## 2002 REAL ESTATE EXAM DATES & FEES

EXAMINATION DATE	LATE APPLICATION DEADLINE Received Date	APPLICATION DEADLINE Postmarked Date
April 20, 2002	April 8, 2002	March 30, 2002
May 18, 2002	May 6, 2002	April 27, 2002
June 15, 2002	June 3, 2002	May 25, 2002
July 20, 2002	July 8, 2002	June 29, 2002
August 17, 2002	August 5, 2002	July 27, 2002
Sept. 21, 2002	Sept. 9, 2002	August 31, 2002

### New Real Estate Examination Fees

**\$28.00** - Exam fee postmarked by the application deadline

**\$48.00** - Late registration fee received by the "late application deadline"

**\$58.00** - Walk-in candidates fee

### DAILY COMPUTER TESTING PROPOSAL REQUESTED

Beginning in October, the Commission will contract for computer administered daily testing. The Commission has sent out a Request for Proposal (RFP). Exam companies had until April 1, 2002, to respond. More information will be available after the Commission awards a contract.

**A. If by office policy the qualifying broker wants to keep up with licensee's certificates, that is fine.** But remember, the Commission will hold the licensee, not the qualifying broker, responsible for the certificates. Licensees should keep themselves a copy of their certificates before they turn over the originals to someone else.

**Q. How long must I keep CE certificates?**

**A. Certificates must be kept on file for Commission audit for two years from the time the credit is used to renew the license.** Here is an example: John D. Licensee takes 6 hours of CE on October 10, 2000, 6 hours on April 23, 2001 and his remaining 3 hours on July 6, 2002. John renews his license on August 21, 2002. A new license is issued on October 1, 2002. John must keep the certificates on file in his office until October 1, 2004, which is two years from the time he used the credit to have the new license issued.

**Q. How will the Commission know if I took my continuing education?**

**A. The Commission may conduct on site audits of licensee records** or may at any time conduct a random audit by mail. In other words, the computer will randomly select a certain percentage of licensees and the Commission will then send a notice to those licensees. The notice will request that the licensees mail in certificates to be checked by Commission staff.

**Q. What if I am audited and have not completed the 15 hours?**

**A. If there is probable cause that a violation of the License Law has occurred,** the Commission investigators will file a formal complaint and set the case for hearing. The licensee may present his/her case and will have the choice to be represented by Counsel. At the conclusion of the hearing, the Commissioners will decide if the License Law has been violated. If so, under Section 34-27-36 you could be reprimanded or fined or your license could be suspended or revoked or any combination of these sanctions.

**Q. I hold a reciprocal license. What am I supposed to do in light of this new rule about keeping certificates in my files?**

**A. Reciprocal licensees** may either meet continuing education requirements by taking the 15 hours of continuing education as already mentioned in this article OR have on file proof that they held an active license in another state at the time the Alabama license was renewed. If you choose the latter, the copy of the active license from the other state must show an expiration date of October 1, 2002 or later.

**Q. Who is exempt from taking continuing education?**

**A. Only the following people are exempt as described in Section 34-27-35(j)(1) of the License Law:**

- 1) Those who were at least 65 years old as of October 1, 2000 and who had been continuously licensed for the 10 years prior to October 1, 2000. Those people were grandfathered when a new law was enacted to no longer exempt those over 65 years of age.
- 2) The other group that does not have to take continuing education is salespersons who become licensed during the second year of the license period. For the upcoming license period, that would mean that those who received

their original (permanent) license on October 1, 2001 or after, are exempt from taking CE for the first renewal of their license. However, these licensees would have completed the post license course during the first year of the license period so the exemption is rather meaningless.

**Q. Does taking the 30-hour post license course fulfill the 15-hour continuing education requirement?**

**A. Yes,** the 30-hour course is primarily completed by new salespersons who hold temporary licenses. Completion of the course will satisfy CE requirements for new licensees or for any licensees who wish to take it.

**Q. I am taking the 15-hour broker's prelicense course. Does that course fulfill the 15-hour continuing education requirement?**

**A. Yes,** the 15 hour broker's prelicense course fulfills the CE requirement for any licensee who takes it even if the licensee is already a broker. It will count as CE credit for all licensees because it consists of Risk Management, RECAD, License Law, Fair Housing and Contract Writing.

**Q. Can I take a continuing education course via distance education? For example, can I take an Internet course or a computer based course?**

**A. Yes** you can, provided the course is certified by ARELLO (Association of Real Estate License Law Officials). If you are interested in taking a distance education course, check out approved courses at [www.arello.net](http://www.arello.net) and click on "Search for Certified Courses". There is also a link to this search feature on the Commission's Web site at [www.arec.state.al.us](http://www.arec.state.al.us). Or, you may call your local real estate school and ask if they have qualified distance education courses available. ■

## ATTENTION: INSTRUCTORS

### ANNUAL INSTRUCTOR SEMINAR

October 18, 2002  
 Auburn Hotel and  
 Conference Center  
 Auburn, Alabama

## BRIEFLY LEGAL

# Commissioners Amend RECAD Form

By Charles R. Sowell, General Counsel

The Commissioners have made a small change to the form titled "Real Estate Brokerage Services Disclosure." That form is at the end of Alabama Real Estate Commission Rule 790-X-3-.13. The amendment is actually effective on April 3, 2002, but you may use your current supply of forms if changing will cause an unreasonable amount of trouble for your company. We expect that you will begin using the new form as soon as reasonably possible.

There are only two small changes. The very first line of the form now says: "THIS IS FOR INFORMATION PURPOSES" and the second line says "THIS IS NOT A CONTRACT" and these two lines make up the heading of the form. In the old version of the rule there was no heading above the title of the form. The only other change is at the end of the form below the consumer signature line. In that spot these words now appear: "(Acknowledgment for Receipt Purposes, Only)" and there was only a space on this spot on the old form. The commissioners felt it was important to reassure consumers that the form is not a binding contract. They hope consumers will feel more free to sign the form.

Here is the text of the rule with these amendments. As always, this form is not distributed by the Commission office. Please have your form format changed to conform with these changes.

**THIS IS FOR INFORMATION PURPOSES  
THIS IS NOT A CONTRACT**

**REAL ESTATE BROKERAGE SERVICES DISCLOSURE**

- Alabama law requires you, the consumer, to be informed about the types of services which real estate licensees may perform. The purpose of this disclosure is to give you a summary of these services.

A SINGLE AGENT is a licensee who represents only one party in a sale. That is, a single agent represents his or her client. The client may be either the seller or the buyer. A single agent must be completely loyal and faithful to the client.

A SUBAGENT is another agent/licensee who also represents only one party in a sale. A subagent helps the agent represent the same client. The client may be either the seller or the buyer. A subagent must also be completely loyal and faithful to the client.

A LIMITED CONSENSUAL DUAL AGENT is a licensee for both the buyer and the seller. This may only be done with the written, informed consent of all parties. This type of agent must also be loyal and faithful to the client, except where the duties owed to the clients conflict with one another.

A TRANSACTION BROKER assists one or more parties, who are customers, in a sale. A transaction broker is not an agent and does not perform the same services as an agent.

- Alabama law imposes the following obligations on all real estate licensees to all parties, no matter their relationship:
  - To provide services honestly and in good faith;
  - To exercise reasonable care and skill;
  - To keep confidential any information gained in confidence, unless disclosure is required by law or duty to a client, the information becomes public knowledge or disclosure is authorized in writing;
  - Present all offers promptly to the seller;
  - Answer your questions completely and accurately.

Further, even if you are working with a licensee who is not your agent, there are many things the licensee may do to assist you. Some examples are:

- Provide information about properties;
- Show properties;
- Assist in making a written offer;
- Provide information on financing.

You should choose which type of service you want from a licensee, and sign a brokerage service agreement. If you do not sign an agreement, by law the licensee working with you is a transaction broker.

The licensee's broker is required by law to have on file an office policy describing the company's brokerage services. You should feel free to ask any questions you have.

The Alabama Real Estate Commission requires the real estate licensee to sign, date, and provide you a copy of this form. Your signature is not required by law or rule, but would be appreciated.

Name of licensee \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Consumer Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

(Acknowledgment for Receipt Purposes Only)

# Internet Use and the Residential Real Estate Brokerage Market

By Leonard V. Zumpano  
AAR Chair of Real Estate and  
Executive Director of Research, AREREC



While there has been a great deal of hype about the Internet, it is true that the Internet has been and will continue to be an extremely important force for change in the way people live their lives and conduct business. No other technology has been incorporated, as quickly, into the structure of our economy and the lifestyles of American households. The Department of Commerce estimated that radio took almost 40 years to reach 50 million consumers, TV almost 13 years, and the personal computer approximately 16 years. It has taken less than five years for the Internet to reach this many and more consumers.

As with many other industries, residential real estate firms have been implementing this technology into their day to day business operations. The National Association of REALTORS® (NAR) Online Technology survey, conducted in 1999, indicates that nearly two thirds of NAR members access the Internet for real estate business purposes. In addition, the survey also revealed that 23 percent of all potential home buyers searched, to some extent, for a home online. Such Internet use will only continue to grow in the future.

Recent technological innovations have resulted in new online applications that allow home buyers to take virtual tours of

listed properties, obtain neighborhood and quality of life data, determine affordable price ranges, and comparison shop for loans. The recent approval of the use of electronic signatures will also make it more likely that much of the work associated with a home purchase will be paperless and completed online in the near future.

Just what are the implications of these changes for the operation of the residential real estate market? Will the availability of online listing information speed the search process and result in homes selling sooner, or will selling time increase because potential buyers have access to a larger universe of available homes? Will the use of the Internet to market residential properties reduce transaction and information costs associated with a home purchase? Is it possible that the advent of the Internet will restructure the demand for residential brokerage services in such a manner so as to alter commission rates? To what degree could online listings work to replace real estate brokers and salespeople? Although this brief article will touch on some of these issues, and certainly all of them are worthy of in-depth investigation, our primary concerns here are twofold. First, determine the effect, if any, of Internet use by buyers on their search time. Second, what has been the impact of the Internet on the residential

real estate brokerage industry.

Part of our analysis relies on a review of earlier research along with new, empirical research that is based upon data from a large nationwide survey of recent home buyers and sellers that was conducted by the National Association of REALTORS® in 2000.

## The Changing Nature of the Real Estate Industry

Although there has been some theorizing about how the Internet will effect the residential real estate market and the brokerage industry, there is little in the way of empirical research documenting or supporting hypothesized outcomes. Baen and Guttery (1997) and Tuccillo (1997) argue that the growing use of Internet real estate applications and online sites will reduce information and transactions costs, speed transactions, and ultimately lower commissions by reducing the demand for brokerage services. However, little in the way of supporting evidence is provided by these authors. Examples of other recent works concerning the Internet and real estate, include but are not limited to, Bond, et. al. (2000) and Bardhan, Jaffee, and Kroll (2000).

Bond, et. al. provides evidence on the diffusion of online technology in the real estate industry. Bardhan, Jaffee, and Kroll report that firms can incorporate Web use



into their business operations in many different ways. In many cases firms go through stages of Web use as they become more familiar with the technology and are better able to assess the benefits and risks of e-commerce. In the initial stage, businesses establish basic Internet connections, allowing them to communicate via e-mail and tap into information on the World Wide Web. This includes creating Web sites, which disseminate information about their companies, in what Bardham, Jaffee, and Kroll call the signaling stage. In phase two, businesses expand their presence on the Web by undertaking more extensive marketing and other promotional activities. In stage three, firms provide services and products through the Web, becoming virtual stores or office sites. The authors argue that we are now entering a fourth stage where firms build on the networking capabilities of the Web to establish new supply, service, or sales networks that the authors claim may ultimately change the very structure of the firm. REALTOR.COM is a perfect example of fourth stage activity. The authors further state there will be a final stage where products and services are developed through the cooperation and participation of a network of firms.

### The Internet and Buyer Search Time

What then are the implications of increased Internet use for consumers and real estate professionals? To make this determination we examined data culled from the National Association of REALTORS® 2000 Home Buying and Selling Survey. The survey was mailed to 20,000 consumers who either purchased or sold a home during 1999. NAR received 1778 completed surveys. Elimination of incomplete, inaccurate, and/or misleading survey responses left a total of 1239 completed questionnaires, which serve as the foundation for this work. Various statistical techniques were then employed to measure differences in search time among buyers who

used the Internet as part of their search for a home.

The results of the study indicate that buyers who first learn of their eventual purchase via the Internet, whether through REALTOR.COM or some other online service, witness a significant reduction in search time. On average, Internet savvy buyers found their home almost 5 1/2 weeks sooner than buyers who do not use the Internet. Even casual use of the Internet, by buyers who use the Internet as only one part of their search, appears to reduce search time.

The survey data also reveals that most consumers who use the Internet as part of the home buying process, are searching for home listings not real estate agents. Only three percent of Internet users explicitly searched for a real estate professional. While this latter statistic might seem scary to most licensees, the fact is that 87% of these Internet shoppers purchased their homes through real estate brokers. This compares to 76% for other home buyers. These findings lend support to the idea that the Internet, at least so far, is primarily a pre-screening and information system; once a subset of acceptable homes have been identified, most consumers contact a real estate professional. Rather than replacing real estate salespeople the Internet is reducing buyer search and information costs, while making real estate salespeople more productive; exactly what technology is supposed to do.

It is also instructive to note other characteristics about Internet home buyers. Compared to other home buyers they tend to be younger, better educated, better informed (sought out more information and from more sources), and more affluent than their non-Internet counterparts.

### Implications for Real Estate Professionals

What this says is that the Internet is not to be feared, but rather used as a tool to increase agent productivity and improve the quality of services to consumers. These

results also carry a warning. The use of the Internet as part of the home search process will only grow and consumers are becoming more knowledgeable about their alternative marketing arrangements. Not only will licensees need to stay abreast of this fast changing online technology, but they will have to continually upgrade the quality of the services they offer if they are to remain a competitive force in the residential real estate market.

### References

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### HOLIDAY CLOSINGS FOR 2002

HOLIDAY	DATE
Confederate Memorial Day . . . . .	April 22
National Memorial Day . . . . .	May 27
Jefferson Davis . . . . .	June 3
Independence Day . . . . .	July 4
Labor Day . . . . .	September 2
Columbus Day/American	
Indian Heritage Day . . . . .	October 14
Veterans Day . . . . .	November 11
Thanksgiving . . . . .	November 28
Christmas Day . . . . .	December 25

# Disciplinary Actions Taken

December 2000 through January 2002

**Disposition:** The below were found guilty for violation of Section 34-27-36(a)(16) by presenting to the Alabama Real Estate Commission, as payment for a fee or fine, a check which was returned unpaid by the bank upon which it was drawn.

**Name:** Keisha J. Glasscock, Salesperson, Montgomery, Alabama

**Date of Hearing:** December 1, 2000, Fined \$250

**Name:** Sharon H. Haynes, Salesperson, Adamsville, Alabama

**Date of Hearing:** December 1, 2000, Fined \$100

**Name:** Mavis S. Harris, Salesperson, Opelika, Alabama

**Date of Hearing:** December 1, 2000, Fined \$250

**Name:** Tahira S. Atcha, Salesperson, Birmingham, Alabama

**Date of Hearing:** December 1, 2000, Fined \$200

**Name:** Samuel E. Conyers IV, Associate Broker, Tuscaloosa, Alabama

**Date of Hearing:** December 1, 2000, Fined \$250

**Name:** Yvonne Dannyelle Thompson, Salesperson, Birmingham, Alabama

**Date of Hearing:** January 17, 2001, Fined \$250

**Name:** Wilson Whitaker, Salesperson, Columbus, Georgia

**Date of Hearing:** January 17, 2001, Fined \$250

**Name:** Patricia Ann Beecham, Salesperson, Mobile, Alabama

**Date of Hearing:** January 17, 2001, Fined \$250

**Name:** Connie R. Olsen, Salesperson, Orange Beach, Alabama

**Date of Hearing:** February 15, 2001, Reprimanded

**Name:** Kimberly J. Salter, Associate Broker, Birmingham, Alabama



**Date of Hearing:** February 15, 2001, Fined \$250

**Name:** Tammy W. Norris, Salesperson, Birmingham, Alabama

**Date of Hearing:** March 9, 2001, Fined \$250

**Name:** Julia A. Warmate, Broker, Tuscaloosa, Alabama

**Date of Hearing:** March 9, 2001, Fined \$250

**Name:** Fred H. Hawkins, Broker, Montgomery, Alabama

**Date of Hearing:** March 9, 2001, Fined \$250

**Name:** Ronald Whetstone, Broker, Eutaw, Alabama

**Date of Hearing:** May 11, 2001, Fined \$250

**Name:** Joe A. Winkeler, Salesperson, Gulf Shores, Alabama

**Date of Hearing:** May 11, 2001, Fined \$250

**Name:** Anne E. Patterson, Salesperson, Robertsedale, Alabama

**Date of Hearing:** May 11, 2001, Fined \$250

**Name:** Pamela D. Walter, Salesperson, Gulf Shores, Alabama

**Date of Hearing:** May 11, 2001, Fined \$250

**Name:** James A. Burns, Qualifying Broker, Harpersville, Alabama

**Date of Hearing:** September 14, 2001, Fined \$500

**Name:** Kim H. McConnon, Salesperson, Jacksonville, Alabama

**Date of Hearing:** October 26, 2001, Fined \$250

**Name:** Catherine R. Rushing, Salesperson, Daphne, Alabama

**Date of Hearing:** January 24, 2002, Fined \$250

**Name:** Valerie Moorer, Salesperson, Birmingham, Alabama

**Date of Hearing:** January 24, 2002, Fined \$250

**Name:** Jerold F. Turner, Salesperson, Birmingham, Alabama

**Date of Hearing:** January 24, 2002, Fined \$250

**Disposition:** The below was found guilty and fined \$100 for violation of Section 34-27-36(a)(23)a. via Section 34-27-36(a)(19), for a real estate licensee to enter a plea of guilty to a crime involving moral turpitude and violation of Section 34-27-31(k) via Section 34-27-36(a)(19), for failing to notify the commission within 10 days of a criminal verdict.

**Name:** April Michelle Morgan, Salesperson, Northport, Alabama

**Date of Hearing:** December 1, 2000

**Disposition:** The below was found guilty and reprimanded for violation of Section 34-27-31(j) via Section 34-27-36(a)(19) for failing to notify the commission within 10 days of the institution of a criminal prosecution against him and Section 34-27-31(k) via Section 34-27-36(a)(19) for a real estate licensee to fail to notify the commission within 10 days of a criminal verdict against him.

**Name:** Roy A. Rafos, Qualifying Broker, Trussville, Alabama

**Date of Hearing:** December 1, 2000

**Disposition:** The below were found guilty for violation of Rule 790-X-3-.01 via Section 34-27-36(a)(19) for changing his or her place of business as set out on his or her numbered license certificate, and failing to notify the commission in writing within 30 days after the change.

**Name:** Kenneth George Emerson, Broker, Mobile, Alabama

**Date of Hearing:** January 17, 2001, Fined \$100

**Name:** James W. Brewer, Qualifying Broker, Decatur, Georgia

**Date of Hearing:** January 17, 2001, Fined \$250

**Disposition:** The below was found guilty and reprimanded for violation of Section 34-27-36(a)(8)a. and 34-27-36(a)(8)b. for failing to deposit and account for at all times all funds to be held in trust for other parties.

**Name:** Debbie M. Cole, Broker, Montgomery, Alabama

**Date of Hearing:** March 9, 2001

**Disposition:** Ballard Realty Company, Inc., d/b/a The Prudential Ballard Realty and Mr. Weimorts were found guilty for violation of Section 34-27-36(a)(23)b. for having a final money judgment rendered against them which resulted from an act occurring in the pursuit of their real estate business. With regard to the qualifying broker, Ms. Campbell, Section 34-27-34(a)(2) makes her responsible for the acts of the salesperson, Mr. Weimorts, and the company, Prudential Ballard Realty Company, Inc. Ms. Campbell and the company were reprimanded. Mr. Weimorts' license was suspended for six months by the order dated March 19, 2001. On May 11, 2001, the suspension of his license was reduced to the amount of time he had been suspended pursuant to the Commission order. His license was reinstated.

**Name:** Ballard Realty Company, Inc., d/b/a The Prudential Ballard Realty, Jim-

mie Ann Campbell, Qualifying Broker, and Hugh Weimorts Salesperson

**Date of Hearing:** March 9, 2001

**Disposition:** The below were found guilty for violation of Section 34-27-36(a)(23)a. via Section 34-27-36(a)(19) for entering a plea of guilty to a felony and violation of Section 34-27-31(j) and (k) via Section 34-27-36(a)(19) for failing to notify the commission within 10 days of the institution of any criminal prosecution and failing to notify the commission within 10 days of a criminal verdict.

**Name:** Robert L. McWilliams III, Qualifying Broker, American Homebuyers, Inc. and American Discount Broker Realty, Madison, Alabama

**Date of Hearing:** July 20, 2001, Reprimanded

**Name:** Jimmy Frank Richardson, Qualifying Broker, Haleyville, Alabama

**Date of Hearing:** September 14, 2001, License suspended until January 15, 2002.

**Disposition:** The below was found guilty for violation of Section 34-27-36(a)(1) for procuring a license by making a material misstatement of fact. He was reprimanded and his broker's license issued.

**Name:** Nathaniel Harris III, Salesperson, Birmingham, Alabama

**Date of Hearing:** July 20, 2001

**Disposition:** The below was found guilty and fined \$1000 for violation of Section 34-27-36(a)(19) and Rule 790-X-3-.03(1) as a real estate associate broker failing to pay over to her qualifying broker all funds coming into her possession in trust for other parties immediately upon receipt of same and Section 34-27-36(a)(8)a. failing within a reasonable time, to properly account for or remit money coming into her possession which belongs to others, or to commingle money belonging to others with her own funds.

**Name:** Gladys Brown Davis, Broker, Huntsville, Alabama

**Date of Hearing:** July 20, 2001

**Disposition:** The below was found guilty

and fined \$250 for violation of Section 34-27-2(a)(11)b. for failing to operate from a separate office, meeting all other regulations of the real estate commission, and to be properly identified as a real estate office and Rule 790-X-2-.17 that requires the public display of all real estate licenses at the place of business.

**Name:** Fred H. Hawkins, Broker, Huntsville, Alabama

**Date of Hearing:** August 17, 2001

**Disposition:** The below was found guilty and fined \$500 for violation of Rule 790-X-3-.01 via Section 34-27-36(a)(19) for changing the address of his place of business as set out on his numbered license certificate and failing to notify the Commission in writing within 30 days after such change has been made.

**Name:** James A. Burns, Qualifying Broker, Harpersville, Alabama

**Date of Hearing:** September 14, 2001

**Disposition:** The below was found guilty and fined \$1000 for violation of Section 34-27-36(a)(14) for accepting a commission or other valuable consideration for performing an act for which a license is required from any person except his qualifying broker.

**Name:** Steven H. Gay, Salesperson, Clanton, Alabama

**Date of Hearing:** September 14, 2001

## OTHER ADMINISTRATIVE ACTIONS

### Determination for Licensure

Approved. . . . . 9  
Denied. . . . . 1

### Determination of Eligibility

Approved. . . . . 6  
Denied. . . . . 5

## COMPLAINTS AND INQUIRIES

From Licensees . . . . . 3235  
From Public . . . . . 1901  
Anonymous . . . . . 99



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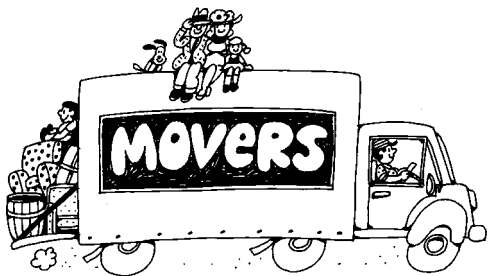
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## CHANGE OF BUSINESS ADDRESS

**Qualifying Brokers** - The Commission has experienced the return of numerous correspondence to companies, especially after a mass mailing, that has been marked by the U S Postal Service as "Non Deliverable as Addressed," or "Moved - No Forwarding Address." Rule 790-X-3-.01 of the Alabama Real Estate License Law states: "It shall be a violation for any licensee to change the address of his place of business as set out on his numbered license certificate and fail to notify the Commission in writing within thirty (30) days after such change has been made. To effect a change of business address, the qual-

ifying broker must return to the commission the company license, if the company is a corporation, partnership or branch office, plus all broker and salesperson licenses. A \$25 transfer fee must be included for each license issued to that company."

## CHANGE OF RESIDENCE ADDRESS

Section 34-27-35(h) of Real Estate License Law states that each licensee shall notify the commission in writing of any change in his or her business or residence address within 30 days of the change. There is no fee to change a licensee's residence address.

**Inactive Licensees** - Once your license is placed on inactive status, all correspondence from the Commission will be mailed to your home address. Remember, this is a license renewal year. If your license status is inactive at the time renewal notices are mailed in July, the notice will be mailed to your home address. So, it is important that your home address be kept current with the commission.

## CHANGE OF E-MAIL ADDRESS

The Commission is searching for e-mail addresses to provide timely and important information faster. Please send your e-mail address to the Commission and remember to notify us of any changes.