Customer Service is Alive and Well at the Commission

Recession... Cutbacks... Layoffs... We have gotten all too familiar with these words over the past several months. As we come off the license renewal year, we are encouraged by the number of you who are staying with the real estate profession and persevering.

In the midst of the current economic climate, the Commission staff is making every effort to conserve resources, while continuing to provide the best possible customer service to our licensees and the public. We are here to assist you in any way that we can and we are striving to improve service at every opportunity. We are committed to:

**OUR MISSION**
To protect the public through the licensing and regulating of Real Estate licensees;

**OUR VISION**
To insure public confidence in real estate transactions; and

**OUR VALUES**
Effective management of our resources, excellent customer service, innovation, and honesty and integrity.

We welcome your comments and suggestions, so let us know how we are doing. Log on to www.arec.alabama.gov and send us your comments. Thank you for allowing us to serve you.

---

**In This Issue**
- Education Corner: Risk Management: That Delicate Balance
- Disciplinary Actions
- Other Administrative Actions
- Change of Address
- Renewal Update
- Briefly Legal: Earnest Money Disputes Part II
- Is Your Email Address Correct?
Once again, commissioners decided a three-hour Risk Management course will be required for the next license renewal, but there are no more red flags or paper trails. A new course has been written by Jim Lawrence of Birmingham and is now Risk Management: That Delicate Balance. Mr. Lawrence provided training on October 31 for instructors who wish to teach the course. All instructors who wish to teach the new Risk Management course must attend an instructor training prior to receiving approval. A list of approved instructors is included in this article.

The new Risk Management: That Delicate Balance course approaches the topic as a delicate balance between the desire for potential income and the risk involved in receiving that income. Licensees must be aware of the various laws, rules, and ethical principles that guide the real estate profession while at the same time generating a profitable income. This is the balance that all licensees—both salespersons and brokers—must keep in mind every day when selling or leasing real estate. Topics in the course include the following:

- Property Disclosure
- Alabama License Law
- Agency (RECAD)
- Environmental Hazards
- Contracts
- Anti-Trust
- Fair Housing

All of these are areas that provide possible risks that could negatively affect the practice and potential income of licensees. The Risk Management text includes situations at the end of each section to challenge the student to evaluate different scenarios and make the best decision on the appropriate action to take. An appendix also includes Alabama court cases and sample forms. The Commission is very pleased with the new course and considers it to be a welcomed change that will benefit all licensees who take it. All licensees who are interested in taking the course may utilize the Real Estate Course Search feature on the Commission’s Web site to see current offerings of the new Risk Management: That Delicate Balance course by approved instructors.

The following instructors are currently approved to teach the course. Another instructor training will be offered July 17, 2009, in order to qualify other instructors to offer this course.

<table>
<thead>
<tr>
<th>Ameen, Karen</th>
<th>Garrison, Gwen</th>
<th>McTyeire, Steve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anderson, James</td>
<td>Gillespie, Jim</td>
<td>Morris, Dee</td>
</tr>
<tr>
<td>Blake, Robin</td>
<td>Goodson, Bo</td>
<td>Mungle, Jerry</td>
</tr>
<tr>
<td>Bower, Mary Beth</td>
<td>Gray, Jeri</td>
<td>Norman, Carolyn</td>
</tr>
<tr>
<td>Bradley, William</td>
<td>Green, Rebecca</td>
<td>Norville, Peyton</td>
</tr>
<tr>
<td>Brazelton, Sandra</td>
<td>Hawkins, Susan</td>
<td>Owings, Tom</td>
</tr>
<tr>
<td>Brooks, Everett</td>
<td>Hayes, Charlie</td>
<td>Palmer, Donnis</td>
</tr>
<tr>
<td>Bush, Regina</td>
<td>Hayes, George</td>
<td>Perdue, Lorren</td>
</tr>
<tr>
<td>Calhoon, Bren</td>
<td>Hennessee, Walt</td>
<td>Powell, Anne</td>
</tr>
<tr>
<td>Carroll, Larry</td>
<td>Henry, Glenn</td>
<td>Powers, Bob</td>
</tr>
<tr>
<td>Casey, W. A.</td>
<td>Hethcox, Jim</td>
<td>Rahman, Firdaus</td>
</tr>
<tr>
<td>Coe, Debbie</td>
<td>Hickman, Scott</td>
<td>Randle, Marie</td>
</tr>
<tr>
<td>Cooke, Frank</td>
<td>Holden, Frank</td>
<td>Rice, John</td>
</tr>
<tr>
<td>Crawford, Leon</td>
<td>Isaacson, Harriett</td>
<td>Rogers, Les</td>
</tr>
<tr>
<td>Cunningham, Cookie</td>
<td>Jermigan, Taylor</td>
<td>Romero, Carlos</td>
</tr>
<tr>
<td>Daniel, Selena</td>
<td>Johnson, Jimmy</td>
<td>Ruscin, Cindy</td>
</tr>
<tr>
<td>Davis, Susan</td>
<td>Johnson, Sandra</td>
<td>Sparkman, Fraser</td>
</tr>
<tr>
<td>Dudley, O.C.</td>
<td>Labue, Connie</td>
<td>Sullivan, Gary</td>
</tr>
<tr>
<td>Dutton, Anita</td>
<td>LaMere, Jeanne</td>
<td>Thomas, Roland</td>
</tr>
<tr>
<td>Dye, Jim</td>
<td>Lancaster, Barbara</td>
<td>Turner, Britt</td>
</tr>
<tr>
<td>English, Jo Ann</td>
<td>Lawrence, Jim</td>
<td>Vierkandt, Susan</td>
</tr>
<tr>
<td>Fleet, Art</td>
<td>Manley, Jim</td>
<td>Weems, Susie</td>
</tr>
<tr>
<td>Fortenberry, Gloria</td>
<td>Martin, Earl</td>
<td>Wells, Ann</td>
</tr>
<tr>
<td>Fowler, Sonja</td>
<td>Mash, Dot</td>
<td>Wells, Dwight</td>
</tr>
<tr>
<td>Fulgham, David</td>
<td>McDowell, Marty</td>
<td>Williams, Stephanie</td>
</tr>
<tr>
<td>Gardner, Brejeanna</td>
<td>McKinney, Randy</td>
<td>Willis, Ginny</td>
</tr>
<tr>
<td>Gardner, Donna</td>
<td>McKissock, Richard</td>
<td></td>
</tr>
</tbody>
</table>
DISCIPLINARY ACTIONS TAKEN

September 2008 through January 2009

DISPOSITION
The below was found guilty of violation of Section 34-27-36(a)(8) and Section 34-27-36(a)(8)b. for failing to deposit and account for at all times all funds being held for others by having a shortage of funds in this account and 790-X-3-.03(4) through Section 34-27-36(a)(19) for failing to transfer funds where a successor broker is to provide services under a property management agreement.

Elizabeth D. Boyd
License No. 000059056
Liz Boyd Associates
Real Estate LLC
License No. 000071170
All Seasons GMAC Real Estate
License No. 000079119
Qualifying Broker; Montgomery, Alabama
Date of Hearing: April 4, 2008
Revoked

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.

Steven Ray Keene
License No. 000093139
Qualifying Broker; Fontana, California
Date of Hearing: September 5, 2008
Fined $250

Richard A. Burton
License No. 000065744
Salesperson; Mobile, Alabama
Date of Hearing: October 3, 2008
Fined $250

Jackie Busby Champion
License No. 000076247
Salesperson; Chelsea, Alabama
Date of Hearing: October 3, 2008
Fined $250

Keith Daniels
License No. 000082661
Associate Broker; Montgomery, Alabama
Date of Hearing: October 3, 2008
Fined $250

Beverly Griffith Lepore
License No. 000080365
Salesperson; Birmingham, Alabama
Date of Hearing: October 3, 2008
Fined $250

Annette Elaine Brown
License No. 000091618
Salesperson; Montgomery, Alabama
Date of Hearing: December 5, 2008
Fined $250

Rita L. Bullock
License No. 000011558
Salesperson; Montgomery, Alabama
Date of Hearing: December 5, 2008
Reprimanded

John A. Cook
License No. 000081361
Salesperson; Pensacola, Florida
Date of Hearing: December 5, 2008
Fined $100

Vincent D. Elliott
License No. 000090752
Salesperson; Montgomery, Alabama
Date of Hearing: December 5, 2008
Fined $250

Robert Ford Gillespie
License No. 000093652
Temporary Salesperson; Muscle Shoals, Alabama
Date of Hearing: December 5, 2008
Fined $100

Danielle Gordon
License No. 000091051
Associate Broker; Pembroke Pines, Florida
Date of Hearing: December 5, 2008
Fined $500

Calden B. Hopkins
License No. 000090485
Salesperson; Mobile, Alabama
Date of Hearing: December 5, 2008
Fined $250

Susan Rice
License No. 000092272
Salesperson; Birmingham, Alabama
Date of Hearing: December 5, 2008
Fined $250

(Continued on page 5)
Is It Legal?

- To pay cash to owners who list property for sale
- To pay cash to a customer to get him or her to buy a home
- To give one month’s free rent to a customer to get him or her to rent an apartment

Get the answer to these questions and more @
www.arec.alabama.gov
Kyle Matthew Stonis  
License No. 000090497  
Salesperson; Atlanta, Georgia  
Date of Hearing: December 5, 2008  
Fined $100

Cindy Cook  
License No. 000044442  
Qualifying Broker; Pulaski, Tennessee  
Date of Hearing: January 22, 2009  
Fined $100

Jil J. Walker  
License No. 000074883  
Salesperson; Foley, Alabama  
Date of Hearing: January 22, 2009  
Fined $100

Bobby Lucille Warner  
License No. 000033776  
Qualifying Broker; Lillian, Alabama  
Date of Hearing: January 22, 2009  
Fined $200

**DISPOSITION**

The below were found guilty of violation of Rule 790-X-3-.01 through Section 34-27-36(a)(19) for failing to notify the Commission in writing within 30 days after changing their place of business as set out on their numbered license certificate.

Deborah M. Banks  
License No. 000076693  
Qualifying Broker; Columbus, Georgia  
Date of Hearing: September 5, 2008  
Fined $250

Michael W. Robinson  
License No. 000089059  
Qualifying Broker; Starkville, Mississippi  
Date of Hearing: September 5, 2008  
Fined $250

Benny H. Walker  
License No. 000024096  
Qualifying Broker; Huntsville, Alabama  
Date of Hearing: September 5, 2008  
Fined $250

J. Fred Burson  
License No. 000068392  
Associate Broker; Alva, Florida  
Date of Hearing: October 3, 2008  
Fined $250

**DISPOSITION**

Gary W. Pharao  
License No. 000034173  
Qualifying Broker; Birmingham, Alabama  
Date of Hearing: October 3, 2008  
Fined $250

Edwin J. Ricketts  
License No. 000078547  
Qualifying Broker; Phoenix, Arizona  
Date of Hearing: October 3, 2008  
Fined $250

John W. Weber  
License No. 000068823  
Qualifying Broker; Atlanta, Georgia  
Date of Hearing: October 3, 2008  
Fined $250

Robert E. Blackerby  
License No. 000028135  
Qualifying Broker; Panama City Beach, Florida  
Date of Hearing: December 5, 2008  
Fined $250

David Arthur Blum  
License No. 000083795  
Qualifying Broker; Fremont, California  
Date of Hearing: December 5, 2008  
Fined $250

Roger M. Pugh  
License No. 000003802  
Qualifying Broker; Birmingham, Alabama  
Date of Hearing: December 5, 2008  
Fined $250

Marcia H. Norris  
License No. 000026097  
Approved Real Estate Instructor  
and Associate Broker; Morris, Alabama  
Date of Hearing: December 5, 2008  
Warned on both counts

**DISPOSITION**

Jessica Renee Johnson  
License No. 000074603  
Associate Broker; Cullman, Alabama  
Date of Hearing: December 5, 2008  
Fined $100 and license suspended for 90 days; suspension was stayed for a period of 90 days during which respondent was to complete a three-hour continuing education course in Risk Management. The course was completed during the 90-day stay.

**DISPOSITION**

The below was found guilty of Count #1 of violating Rule 790-X-1-.12(8) through Section 34-27-36(a)(19) for failing to maintain permanent attendance records for continuing education students for a minimum of four years and Count #2 for violation of Rule 790-X-1-.06(5)(n) through Section 34-27-36(a)(19) for failing to maintain permanent attendance records and course completion scores for continuing education students and course completion scores for a minimum of four years.

**DISPOSITION**

The below was found guilty of violating Section 34-27-36(a)(23)a. for entering a plea of guilty to a felony offense.

Kenneth Butler  
License No. 000082854  
Salesperson; Anniston, Alabama  
Date of Hearing: January 22, 2009  
Fined $500

**DISPOSITION**

The below were found guilty of violation of Section 34-27-36(a)(19) for violating or disregarding a Commission order by failing to pay an ordered fine.

Lawrence Edward Haynes  
License No. 000090600  
Qualifying Broker; Lawrenceville, Georgia  
Date of Hearing: October 3, 2008  
Revoked

(Continued on page 6)
Renewal Update

More than 31,000 licensees have renewed for 2009-2010.
These include companies, branches, brokers (including reciprocals),
salespersons (including reciprocals), and temporary licensees.

![Change of Address Image]

CHANGE OF ADDRESS

When submitting a Change of Address for a company, remember that you must submit a $25 transfer fee for each company, branch, broker, and all salespersons registered with that company.

DISPOSITION

The below surrendered their licenses for alleged license law violations in lieu of a formal complaint and hearing.

Debra Ann Williams
aka Debra A. Cook
License No. 000053971
Salesperson; Coaling, Alabama
Date of Hearing: December 5, 2008
Revoked

DISPOSITION

The below was found guilty of Count #1 for violating Section 34-27-31(k) through Section 34-27-36(a)(19) for failing to notify the Commission within 10 days of the criminal verdict against her and Count #2 for violation of Section 34-27-36(a)(23)a. by having entered a plea of guilty or nolo contendere to, or having been found guilty of or convicted of a felony or a crime involving moral turpitude.

Shannon Patterson Keith
License No. 000089162
Salesperson; Talladega, Alabama
Date of Hearing: October 3, 2008
Revoked

Blake Brian Spicer
License No. 000066615
Associate Broker; Guntersville, Alabama
Date of Hearing: December 5, 2008

Ginger B. Turner
License No. 000074392
Associate Broker; Ridgeland, Mississippi
Date of Hearing: December 5, 2008

Other Administrative Actions

<table>
<thead>
<tr>
<th>DETERMINATION OF LICENSURE</th>
<th>Approved</th>
<th>Denied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DETERMINATION OF ELIGIBILITY</th>
<th>Approved</th>
<th>Denied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPLAINTS AND INQUIRIESHandled by Legal and Investigative Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Licensees</td>
</tr>
<tr>
<td>From Public</td>
</tr>
<tr>
<td>Anonymous</td>
</tr>
</tbody>
</table>
Earnest Money Disputes
Part II

By Charles R. Sowell, General Counsel

This is a follow-up to the original article titled “Earnest Money Disputes” published in the Winter 2007 Update. Two additional points need to be made. I am not going to attempt to summarize the original article here. You may find it by going to our Web site and clicking on “Legal” at the top, which will show a drop-down menu. You will then see “Briefly Legal Index” which can be opened up to show the article “Earnest Money Disputes.” Open it up and scroll down to page 4.

Specifically, the focus is on the following language in the rule: “If for any reason the transaction is not consummated, or if for any reason there is a disagreement involving to whom trust funds should be disbursed, the qualifying broker shall not disburse any trust funds except pursuant to a written agreement signed by all parties or pursuant to a court order.” In an ordinary sale that is not going to close this means a signed release is necessary from the parties before earnest money can be disbursed to either party.

Agencies of the United States government and their contractors are not bound by this provision of the rule. The most common examples concern sales of properties owned by FHA, VA, and HUD. When these agencies offer their property for sale, they expect earnest money to be collected from the buyer, and deposited into a broker’s escrow account just as in any transaction. In cases where they believe the buyer has defaulted and should forfeit the earnest money, the broker holding the money will get a demand for the earnest money. When this happens the broker must comply with the demand as directed. No signed release is required from the buyer or seller. There are legal reasons why FHA, VA, and HUD are not bound by our rule. In plain language a state has no authority to tell the federal government how it must conduct its business in this regard.

The release provision of the rule only applies to earnest money deposited on a finalized sales contract. This means that no release is necessary if no contract is entered into between the seller and the buyer. There are at least two common examples where a broker might deposit the earnest money, even though no contract has been finalized. One, a separate part of our rule requires US currency to be deposited immediately. Two, the parties might agree that the earnest money be deposited, even though no contract has been finalized. This can happen when the negotiations take a long time or for other reasons. In either of these cases no release is necessary for the money to be returned to the buyer. If no contract exists, then the seller has no claim to the money that a broker must honor under the rule.

Is Your Email Address Correct?

The Commission occasionally sends information to licensees by email and recently we have received a lot of returned emails marked “undeliverable.” Make sure the Commission has your correct email address.

You can check the email address that is currently on file with the Commission and make any necessary changes on the Commission’s Web site. Log on to www.arec.alabama.gov and click on Online Services to access your record. There is no fee for changing your email address.

If you get a new email address, remember to update your record on the Commission’s Web site. A correct email address allows the Commission to keep you up to date on important news and information.
OUR MISSION
To protect the public through the licensing and regulating of Real Estate licensees.

OUR VISION
To insure public confidence in real estate transactions.

OUR VALUES
Effective management of our resources, excellent customer service, innovation, and honesty and integrity.

COMMISSIONERS
Jewel D. Buford, Tuscaloosa
Steve Cawthon, Huntsville
Robert S. Hewes, Dothan
Sheila S. Hodges, Gulf Shores
Clifton Miller, Huntsville
Janet R. Morris, Montgomery
Dorothy P. Riggins-Allen, Montgomery
Bill Watts, Birmingham
Nancy Wright, Cullman
D. Philip Lasater, Executive Director
Patricia Anderson, Asst. Executive Director
Vernita Oliver-Lane, Editor
Lori Moneyham, Associate Editor

The Alabama Real Estate Commission UPDATE is published for the benefit of the Alabama Real Estate Industry by the Alabama Real Estate Commission.

Phone: 334.242.5544
Fax: 334.270.9118
www.arec.alabama.gov
arec@arec.alabama.gov

COMMISSION MEETINGS OPEN TO THE PUBLIC
All Commission meetings are open to the public and that includes real estate licensees. Commissioners welcome and encourage attendance and observation by any licensee in any location. Locations, dates, and times can be found on the Commission’s Web site at www.arec.alabama.gov.

LICENSE RENEWAL DEADLINE
September 30, 2009, is the deadline for all licensees who have not yet renewed their licenses.

The Alabama Real Estate Commission will be closed on the following

2009 Official State Holidays

Confederate Memorial Day ................................................. April 27
Memorial Day ........................................................................ May 25
Jefferson Davis’ Birthday ..................................................... June 1
Independence Day (State offices are closed the day before)........ July 3
Labor Day ........................................................................... September 7
Columbus Day/Fraternal Day/American Indian Heritage Day .... October 12
Veteran's Day ..................................................................... November 11
Thanksgiving ...................................................................... November 26
Christmas .......................................................................... December 25

* Holidays in bold are observed by the State of Alabama, but may not be observed by other companies or organizations.