



Alabama Real Estate Commission
Empowering | Connecting | Educating
Phone: 334.242.5544 | Fax: 334.270.9118
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BRIEFLY LEGAL AND COMMISSION NOTE

Lawsuit and Criminal Notification

January 7, 2019

TODAY'S QUESTION

What are the requirements for notifying the Commission of any lawsuits or criminal prosecution against a real estate company and/or its brokers or salespersons?

THE ANSWER

1. **Who?** Every licensee must notify the Commission at the beginning of any criminal prosecution against them and again after a verdict or dismissal of every criminal prosecution against them. Every licensee must also notify the Commission at the beginning of a civil complaint if it involves a real estate transaction or involves the goodwill of an existing business and again when a civil action in which he or she was a defendant, and which involved a real estate transaction, or the goodwill of a real estate business has resulted in a judgment or been dismissed.
2. **When?** Notice to the Commission must be within 10 days after the licensee receives notice.
3. **How?** Notice to the Commission **must** be sent by certified mail. An email or a phone call does **not** constitute notice to the Commission.
4. **What?** Notification of any of the above **must** include a copy of the indictment or information, if criminal; or summons, complaint, or dismissal, if civil.
5. **Is anything excluded?** Yes. Anything that is solely a traffic offense does not have to be reported. This includes speeding tickets.
6. **What happens next?** It depends. Some issues will lead to further Commission action. This falls under Section 34-27-36(a)(23)a and b. This section states that it is a violation of license law to plead guilty or nolo contendere to or have been found guilty or convicted of a felony or crime of moral turpitude. (Crimes of moral turpitude include but are not limited to theft, forgery, writing a bad check, etc.) Additionally, Section b. states that it is a violation of license law to have a final money judgment rendered against you which results from an act or omission occurring in the pursuit of your real estate business or involves the goodwill of an existing real estate business.

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



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Law Reference: Section 34-27-31(j) Each licensee shall notify the commission within 10 days after notice to him or her of the institution of any criminal prosecution against him or her, or of a civil summons and complaint against him or her, if the subject matter of the civil complaint involves a real estate transaction or involves the goodwill of an existing real estate business. The notification shall be in writing by certified mail and shall include a copy of the summons and complaint. If a criminal charge is made, it shall include the specific charge made against the licensee together with a copy of any indictment or information alleging the charges.

Section 34-27-31(k) Each licensee shall notify the commission in writing by certified mail within 10 days after he or she receives notice that any criminal verdict has been rendered against him or her, or that a criminal action pending against him or her has been dismissed, or that a civil action in which he or she was a defendant and which involved a real estate transaction or the goodwill of a real estate business has resulted in a judgment or been dismissed. The notification shall be in writing and shall include a copy of the court order or other document giving the licensee notice.

Please know that it is always okay to call and ask us about any potential notification issue. We can help you with exactly what needs to be reported and how to properly notify the Commission. If you are unsure if an issue fits one of the above categories, please call our legal division at 334-353-0805 for clarification if you have questions or need assistance.

COMMISSION NOTE

Have you renewed online with a credit card and wondered why your receipt came from Alabama Interactive and your fee was paid through the "State of Alabama?" The reason for this is that Alabama Interactive is the contracted vendor for processing online transactions for all state agencies. Alabama.gov is the last part of the email address for state agencies so that indicates a payment has been made to a state agency. In this case payment is to the Alabama Real Estate Commission. Some licensees have cancelled payment when they did not see "Alabama Real Estate Commission" on the receipt or as the vendor on the credit card statement. This has resulted in renewal fees being unpaid and licenses unrenewed. Be aware that receipts for online transactions when paying the Alabama Real Estate Commission will not have our name on them. PLEASE contact us before you cancel a transaction and we will be happy to verify what you paid for online. Also note that the convenience fee that is added to your license fee for credit card transactions is 3.5% and is paid to Alabama Interactive for the charge by the credit card companies. The charge for eChecks is \$3.50 per eCheck.

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