



FALL 2010

Senate Confirms New Commissioner for District 2

Danny Sharp of Dothan has been appointed by the Governor and confirmed by the Alabama Senate as the newest Alabama Real Estate Commissioner, representing Alabama Congressional District 2. Commissioner Sharp's term began on October 1, 2010.

ommissioner Sharp is the qualifying broker of Coldwell Banker Commercial Alfred Saliba Realty. He began his career in real estate in 1975 and obtained his Brokers License in 1979. He currently specializes in Commercial Investment and Property Management.

Commissioner Sharp was born in Anniston, Alabama to Richard and Lorene Sharp. He is a self-described "preacher's kid" who has lived in Anniston, Columbiana, Clanton, Tuscaloosa, and

Dothan. Commissioner Sharp holds a Bachelor of Science degree from the University of Alabama. He is active in the Dothan Association of REALTORS®, where he served as President in 1982, the Alabama Association of REALTORS®, and the National Association of REALTORS®.

Commissioner Sharp is married to Vicky Sharp. He has a son, Jason, who is an agent with Coldwell Banker Commercial Alfred Saliba Realty and a son, Andrew, who after serving as



a missionary in Kyrgyzstan, is in school at Wallace College. The Sharps have five grandchildren. They attend Calvary Baptist Church in Dothan, Alabama.

Commissioner Hewes Wraps Up Final Term



labama Real Estate Commissioner Robert S. (Bobby) Hewes bids farewell to the Commission as he completes his second and final term. Commissioner Hewes served two five-year terms beginning October 1, 2000 thru September 30, 2010, representing Alabama Congressional District 2.

Commissioner Hewes served on various Commission Committees including Building, License Law Review, Technology and Legislative. He also represented the Commission at numerous meetings of the Alabama Association of REALTORS® and the Association of Real Estate License Law Officials.

We thank Commissioner Hewes for serving the licensees and consumers of Alabama!

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BRIEFLY LEGAL

Home Warranty Company Payments

By Charles R. Sowell, General Counsel

p until now the Real Estate Settlement Procedures Act (RESPA) has not really been clarified by HUD on the subject of payments by home warranty companies (HWC) to real estate licensees. Because of this, it has become fairly common practice for brokers and agents to accept payments from HWC for "placing business" with them. HUD has issued an interpretive rule effective June 25, 2010, which sets out under what conditions these payments to brokers and agents might be legal. Everything in the bullet points below is a direct quote from the rule, but arranged by me to help you with understanding it. After that I will offer some observations.

- Payment by an HWC for marketing services performed by real estate brokers or agents on behalf of the HWC that are directed to particular homebuyers or sellers is an illegal kickback for referral of service.
- Depending upon the facts of a particular case, an HWC may compensate a real estate broker or agent for services when those services are actual, necessary, and distinct from the primary services provided by the real estate broker or agent, and when those additional services are not nominal and are not services for which there is a duplicative charge. For example, conducting

actual inspections of the items to be covered by the warranty to identify pre-existing conditions that could affect home warranty coverage, recording serial numbers of the items to be covered, documenting the condition of the covered items by taking pictures, and reporting to the HWC regarding inspections may be compensable services.

■ The amount of compensation from the HWC that is permitted for additional services must be reasonably related to the value of those services and not include compensation for referrals of business.

If you read the entire rule you come away with the impression that it is going to be very hard to receive this compensation. It is kind of like going over Niagara Falls in a barrel—you can do it, but it might not work out so well. Qualifying brokers are going to have to make their own decisions about whether to continue to accept the payments or not. Some of the most respected brokers I know have already amended their office policies to prohibit receiving them. Every home warranty company should be aware of this rule, because RESPA makes both the payment and acceptance of a kickback illegal. It will be interesting to see if they stop the payments, or if they devise a plan to try to make sure the payments are legal.



Commissioner Morris (right) receives Commissioner College certificate from Commission Chairman Sheila Hodges.

Commissioner Morris Graduates from Commissioner College

Commissioner Jan Morris has become the second Alabama Commissioner to graduate from the ARELLO (Association of Real Estate License Law Officials) Commissioner College. Her Commissioner College certificate was presented at the June 2010 Commission meeting by Commission Chairman Sheila Hodges.

Developed by ARELLO's Commission Member Resource Committee, the Commissioner College is an exclusive program that is designed to prepare newly appointed/elected individuals for their unique role as regulatory decision-makers and also serves as a valuable refresher course for veteran regulators.

Commissioner Morris is qualifying broker of Morris VIP Realty, Inc. in Montgomery and serves Alabama Congressional District 3. Congratulations to Commissioner Morris!

COMMISSION JOINS YOUTUBE

The Alabama Real Estate Commission now has a page on YouTube. Go to http://www.youtube.com/user/ARECalabamagov to check out our videos. You can currently view the Official Document Printing video on our YouTube site. This video explains how qualifying brokers can print licenses.

www.youtube.com/user/ ARECalabamagov



TECHNOLOGY

Welcome Thieves

By Steven Brown, Senior IT Systems Technician

Imagine a neon sign lit brightly above your home or office that reads: "Welcome Thieves, The Spare Key is Under the Doormat! Please Take Whatever You'd Like."

m sure it wouldn't take too long after installing such a sign that you would be pretty much left without any of your belongings. As crazy as that idea may sound some of you may already be erecting a virtual sign by not using strong passwords and not protecting your office and home computers with anti-virus software. As scary as the thought of losing all your personal possessions may be, hackers may pose an even bigger threat with the possibility of identity theft which can take years to attempt to get corrected.

Any information you have saved on your computer (including passwords and account information) is fair game to anyone who wishes to access it as long as you leave your computer unsecured. The best thing that you can do is to make their job more difficult so that they will pick off some easier targets.

Two things you can do to quickly protect your computers are:

Selecting secure passwords. Passwords like Summer2010, August2010, 123456789, Password, or ILoveMyKids may seem like good passwords to you but to a hacker they are easily cracked. Try to pick passwords that don't contain actual words or dates. Don't use any passwords that contain your name or initials. A good method I've found for creating and remembering secure passwords are to think of song lyrics. While I probably couldn't remember the password Ttlsh1wwya; I can easily remember Twinkle twinkle little star how I wonder what you are. I simply took the first letter of each word and created a password. I also substituted the number 1 for the letter I. All you have to do to remember the password is sing the song in your head. Finally select a password that you can remember so you won't have to write it down (by the way, hiding your password under your keyboard isn't sneaky or creative. It's the first place that people look).

Keep your antivirus up-to-date. Make sure your antivirus program is running and is currently updated. If it is expired: RENEW IT! There are some free antivirus options that are available to you as well such as Microsoft Security Essentials, Avast Free, and AVG FREE. While no computer is 100% completely secure you can better your chances against cyber theft by using good safety practices.

New Licensing Administrator Joins Commission Staff



Anthony Griffin joined the staff on December 16, 2009, as the new Licensing Administrator. Anthony joined the staff following the retirement of long-time Licensing Director Annie Hall.

Anthony was born and raised in Montgomery, Alabama. Anthony has a Bachelor of Science degree in Business Administration from

Auburn University Montgomery. He is a Certified Public Manager and has a Certificate in General Management.

He joined the staff of the Department of Industrial Relations in 2000 as an Unemployment Insurance Field Deputy. He served as Unemployment Compensation Supervisor at Industrial Relations from 2006-2009. Before coming to the Commission, he was a Tax Performance Systems Coordinator at the Department of Industrial Relations. Although he is currently inactive, Anthony has been a real estate licensee since 1999 and was with Saunders Realty in Montgomery.

Anthony is married to Eva Griffin and they have two daughters Ajah and Julia. He is assistant softball coach for his daughter's team and attends St. James Baptist Church in Montgomery.

We welcome Anthony to the Commission staff.

As of October 4, 2010 Total Salespersons Renewed..... 14681 Active..... 9095 Inactive 5586 Total Brokers Renewed 8117 Active..... 6470 Inactive..... 1647 Total Companies/Branches 3580 Active..... 3566 Inactive 14 TOTAL RENEWED......26,378

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DISCIPLINARY ACTIONS TAKEN

April through August 2010

DISPOSITION

The below were found guilty of violating 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.

Latonya D. Heard License No. 000096595

Temporary Salesperson; Birmingham, Alabama Date of Hearing: May 21, 2010

Fined \$250

Eric Wood License No. 000096592

Temporary Salesperson; Trussville, Alabama Date of Hearing: May 21, 2010 **Fined \$250**

Claudia Antoinette Baker License No. 000084794

Salesperson; Mobile, Alabama Date of Hearing: July 23, 2010 **Fined \$250**

Lynn S. Geiselhart License No. 000097003

Temporary Salesperson; Huntsville, Alabama Date of Hearing: August 27, 2010 **Fined \$250**

Sonya B. Williamson

License No. 000096252 Salesperson; Birmingham, Alabama Date of Hearing: August 27, 2010 **Fined \$250**

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.

Michael L. Danhour License No. 000088818

Qualifying Broker; Jacksonville, Florida Date of Hearing: August 27, 2010 **Fined \$250**



Lee Tolley Harper License No. 000093379

Qualifying Broker; Chattanooga, Tennessee

Date of Hearing: August 27, 2010 **Fined \$250**

DISPOSITION

Respondents Charles H. Eubanks and Thomas Clinton Wooley were found guilty on Count #1 for violating Section 34-27-36(a)(8)a. and Section 34-27-36(a)(8)b. for failing to deposit and account for at all times all funds coming into their possession being held for others by having a shortage of funds in the rental account and in the security deposit account and Count #2 for violating Section 34-27-36(a)(17) by establishing an association by employment or otherwise with Respondent Dianne Coleman, an unlicensed person, when Ms. Coleman was expected or required to act as a licensee, or they aided or abetted, or conspired with Ms. Coleman to circumvent the requirement that she hold a real estate license in order for Ms. Coleman to perform the acts found in the order. Respondent Wooley was found guilty of Count #3 for violation of Rule 790-X-3-.03(1) through Section 34-27-36(a)(19) by failing to be a signatory on either of the trust accounts and not having authorization to deposit and withdraw funds and write checks as necessary on the trust accounts. Respondent Coleman was found guilty on Count #4 for violating Section 34-27-36(c)(2) for performing acts for which a real estate license is required.

Charles H. Eubanks License No. 000041040

Qualifying Broker; Daphne, Alabama

Date of Hearing: March 10, 2010

Count #1: Fined \$1,000;

Count #2: Fined \$2,500 and Revoked

Thomas Clinton Wooley License No. 000045832

Qualifying Broker (Branch Office); Mobile, Alabama

Date of Hearing: March 10, 2010

Count #1: Fined \$1,000;

Count #2: Fined \$1,000 and Revoked;

Count #3: Fined \$2,500

Dianne Coleman Unlicensed Person

President of Premier Realty and Management LLC Date of Hearing: March 10, 2010

Count #4: Fined \$2,500; Fined additional \$15,000 (representing economic benefit derived from violations)

DISPOSITION

Respondent Cheryl Sanders was found guilty of Count #1 for violating Section 34-27-36(a)(26) for engaging in conduct that constitutes or demonstrates dishonest dealing, bad faith, or untrustworthiness by falsifying a mortgage company's preapproval letter. Respondent Linda A. Shelton was found guilty of Count #2 for violating Section 34-27-34(a)(2) through Section 34-27-36(a)(19) for failing to see that the transaction of her licensee, Respondent Sanders, complied with the provisions of Chapter 27 of Title 34 Alabama Code.

Cheryl Sanders License No. 000076898

Associate Broker; Birmingham, Alabama Date of Hearing: June 25, 2010 **Fined \$1,000**

Linda A. Shelton License No. 000005747

Qualifying Broker; McCalla, Alabama Date of Hearing: June 25, 2010 **Reprimanded**



DISPOSITION

The below was found guilty of violating Section 34-27-31(e)(6) as the Commission paid from the Recovery Fund an amount in settlement of a claim or toward satisfaction of a judgment against the licensee.

Sonva J. West License No. 000056234

Associate Broker; Mobile, Alabama Date of Hearing: April 23, 2010

Revoked

DISPOSITION

The below was found guilty of Count #1 for violating Rule 790-X-3-.03(2) through Section 34-27-36(a)(19) by failing to pay over to his qualifying broker the security deposit in a brokerage transaction; Count #2 for violating Section 34-27-36(a)(10) for failing to provide copies of a property management contract and lease, with reasonable promptness, to each party executing the document; and Count #3 for violating Section 34-27-36(a)(14) for accepting a commission or other valuable consideration from any person except his qualifying broker for managing rental property.

Kwame Aqveman-Bude License No. 000092113

Salesperson; Huntsville, Alabama Date of Hearing: May 21, 2010 Fined \$1,000 on each count (total \$3,000) and Revoked

DISPOSITION

The below were found guilty of violating Section 34-27-36(a)(8)a. and Section 34-27-36(a)(8)b. for failing to deposit and account for at all times all funds coming into their possession being held for others by having a shortage of funds in the security deposit escrow account and the rent escrow account.

Judy R. Ramey License No. 000068368

Qualifying Broker; Orange Beach, Alabama Date of Hearing: June 25, 2010 AND

Caribe Realty, Inc. License No. 000072113

Company; Orange Beach, Alabama Date of Hearing: June 25, 2010 Fined Total of \$1,000

Walter Wrenn Wyatt, Jr. License No. 000082127

Qualifying Broker; Enterprise, Alabama Date of Hearing: June 25, 2010

Southern Homes and Properties Management

License No. 000091303

Company; Enterprise, Alabama Date of Hearing: June 25, 2010 Fined \$1,000 per count (\$2,000 total)

Terry Ponder

License No. 000055852

Qualifying Broker; Birmingham, Alabama Date of Hearing: July 23, 2010

AND

Ponder Properties Commercial Real Estate

License No. 000067218

Company; Birmingham, Alabama Date of Hearing: July 23, 2010

Fined \$500 Total

DISPOSITION

The below were found guilty of Count #1 for violating Section 34-27-36(a)(8)(a) 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 the sales binder or escrow account. Respondent Williams was found guilty of Count #2 for violating Rule 790-X-3-.03 through Section 34-27-36(a)(19) for not being a signatory on the trust account for which she is responsible as qualifying broker and Count #3 for violating Rule 790-X-1-.17(3) through Section 34-27-36(a)(19) for being found guilty, as an approved instructor, of violating any provision of the Alabama Real Estate License Law.

Stephanie B. Williams License No. 000009615

Qualifying Broker; Mobile, Alabama Date of Hearing: April 23, 2010

Count #1: Reprimanded; **Count #2: Fined \$500;**

Count #3: Instructors approval suspended until she completes a continuing

education license law course.

Wright Craft LLC dba RE/MAX Partners

License No. 000076795

Company; Mobile, Alabama Date of Hearing: April 23, 2010

Count #1: Fined \$1,000

DISPOSITION

The below were found guilty of Count #1 by violating Section 34-27-31(j) through Section 34-27-36(a)(19) for failing to notify the Commission of the institution of a civil action involving a real estate transaction; Count #2 by violating Section 34-27-31(k) through Section 34-27-36(a)(19) by failing to notify the Commission of the conclusion of a civil action involving a real estate transaction; and Count #3 for violating Section 34-27-36(a)(23)b by having a final money judgment rendered against her which results from an act or omission occurring in the pursuit of her real estate business.

Margaret S. (Sue) Mikul License No. 000014094

Associate Broker; Montevallo, Alabama Date of Hearing: May 21, 2010

Revoked

Mikul and Associates License No. 000042496

Company; Montevallo, Alabama Date of Hearing: May 21, 2010

Revoked

Wiley W. Reed License No. 000055550

Associate Broker; Tuscaloosa, Alabama Date of Hearing: June 25, 2010 Fined \$1,000 per count (\$3,000 total)

DISPOSITION

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

Monical Travis

License No. 000083245

Salesperson; Mobile, Alabama Date of Hearing: July 23, 2010

OTHER ADMINISTRATIVE ACTIONS

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LICENSING TIDBITS

By Anthony Griffin, Licensing Administrator

What is my Status and What Does it Mean?

There are three basic license statuses: Current (Active or Inactive), Expired and Lapsed. Maintaining a current license status, whether active or inactive, simply means you have paid your renewal fees for each license period.

urrent active status authorizes a licensee to engage in real estate activities that require a license. Qualifying broker responsibility and 15 hours of Commission-approved continuing education (CE), completed by September 30 of each renewal year, are required in order to maintain this status.

Current inactive status means that the Commission is holding your license and you are not authorized to engage in real estate activities that require a real estate license; however, you are still considered a real estate licensee by law. This gives you the privilege to activate your license at any time you are ready to start working and have found a qualifying broker to accept responsibility for you. No continuing education is required while on current inactive status; however, the required CE must be completed prior to activating your license if the required CE was not earned prior to September 30 of the renewal year.

An expired license means that the renewal fees were not paid by the renewal year deadline, which is September 30 of every even-numbered year. Licensees have until September 30 of every odd-numbered year to renew their license, with penalties, or the license will lapse.

Lapsed status means that you are no longer considered an Alabama real

estate licensee and the license is no longer renewable. Once a license has lapsed and you choose to obtain a real estate license in the future, you must meet all requirements in effect at that time as though you were never licensed.

Still have not renewed your real estate license yet? It's not too late!

If you are on inactive status and have not renewed your license yet, you still have until September 30, 2011 to renew your license, with penalty, to maintain a current license status and keep your license from lapsing. A lapsed license cannot be activated or renewed and you must meet all licensing requirements again if you choose to engage in real estate activities in the future. Keeping your license current and away from lapsed status can provide advantages if real estate activities may be in your future endeavors.

Attention Temporary Licensees!

Temporary Licensees please keep in mind that completing post license course work is not the final step in obtaining an original salesperson license. The final step, whether you are currently on active or inactive status, is to complete the original salesperson application and send it to the Commission with the appropriate

fees. The original application must be received in the Commission office or post marked by the US Postal Service on or before the temporary license expiration date or the temporary license will lapse.

Home Address Change

Notify the Commission within thirty days of a home address change. Home address changes can be made online by logging into your license record. Home address changes can also be done in writing by submitting a statement by mail or email to the Commission office. Ensure the statement contains the effective date the address was changed. Home address changes are free of charge whether done online or by mail or email.

Company Address and/or Name Change

Company address and/or name changes can only be made by the Commission's Licensing Division and must be mailed to our office within 30 days of the address change with the appropriate fees. The fee for changing a company name and/or address is \$25 per license, including the company license. Please make sure you include your entire street address, suite or office number and directional abbreviations (i.e. SW, NE, etc.), when appropriate. Not doing so could result in Commission mailings being returned and the company having to pay for another address change.

License Inactivation Requests

License inactivation requests must be signed by the qualifying broker and the licenses must be returned to the Commission with each request.



ber and date of birth. Once logged in click on the Official Document Printing option and it will show the licenses that are available to be printed. As a reminder, only the qualifying broker can log in as the company to view and print licenses. For more information on License Printing, view our Official License Printing video available on the Commission's website under News and Events or contact a member of the Licensing Division.

License Print Reminders

Once a licensee has transferred his/her license online to a different Company, the Real Estate Commission will mail a notice to the qualifying broker (QB), at the company address of record, that a licensee has transferred his/her license to that company. Once this letter is received the QB can go online and print the license so that it can be publicly displayed as required by law. Remember, if a licensee transfers his/her license online to a company without the prior consent and knowledge of the QB, the QB has the right to return the license and notify the Commission in writing that you do not wish to accept responsibility for that licensee. The Commission will then notify the licensee and place the license on inactive status. It can be activated later with another company.

If a new license applicant has received consent from the QB to be licensed with the company, the license will be available for printing once the license has been issued to active status by the Commission. temporary, reciprocal, broker, and original salesperson license applications are normally processed within three business days (provided there are no problems with the application) from the date the application is received by the Commission's Licensing Division. The License Status Verification link on the Commission's website is an excellent source for confirming a licensee's status with the Commission and the company. Once the QB has confirmed that an applicant's license has been activated to their company, the license is ready to be printed from the Commission website.

When Must Licenses be Returned to the Commission?

In order to comply with Alabama Real Estate License Law, Sections 34-27-35(f) and 34-27-34(c), licenses must be returned to the Commission by the qualifying broker whenever a salesperson becomes an Associate or Qualifying broker or when the Qualifying broker wishes to terminate his or her status as a qualifying broker for the company or for that licensee.

EDUCATION CORNER

By Ryan Adair, Education Director

nother license renewal is behind you and another 15 hours of continuing education (CE) as well. In the words of Michael Buble, "It's a new dawn, it's a new day, it's a new life for me...and I'm feeling good." (Feeling Good, "It's Time" 2005). But here is a question that I'm sure everyone longs to have answered. Where does my CE credit go once it has been used for license renewal?

All CE courses that have been taken to satisfy the education requirement for license renewal as stated in Section 34-27-35(j)(1) and Rule 790-X-1-.11(1) are archived once a license has been issued for the next license period. When CE credit is archived it cannot be used for license renewal again. It has served its purpose. You can view archived courses when you log in to check your CE credit through Online Services. There is a button that you can select when viewing your CE credit that allows you to see archived courses. You may have never noticed it, but it is there. Is there any reason you would need to see those courses again? There may be some occasions that will require that. Here are a few possibilities:

- Some licensees hold reciprocal licenses in other states and occasionally need to verify they have completed CE in Alabama. How is that accomplished if the credit has already been used for license renewal? Archived credit can be accessed by logging in and checking the credit in Available Services.
- 2. Many licensees are members of the National Association of REALTORS® (NAR) and must take Code of Ethics every four years. If this course has already been used for license renewal, it can be accessed in the archived courses for verification of completion for NAR. (NOTE: A safety measure is to print a record of completion of the course as soon as it has been completed and keep it in your records until it must be submitted.)
- 3. Some of you may have grown attached to these courses since you expended so much effort to complete them. You can visit every now and then by accessing them through the archived courses.

Please keep in mind that these archived courses are not available for an extended period of time. Archived courses are only available for the last two renewals... or a maximum of four years. If you have any questions regarding CE credit and how to view it in Online Services, please contact the Education Division.

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1201 Carmichael Way • Montgomery, AL 36106

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

Excellence in stewardship, service, innovation, and integrity.

COMMISSIONERS

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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.

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The Alabama Real Estate Commission will be closed on the following

2010 Official State Holidays

Veteran's Day	November 11
Thanksgiving	November 25
Christmas	December 24

YOU RENEWED, BUT IS YOUR LICENSE ACTIVE?

We have some licensees who are performing activities that require an active real estate license, but either the company or qualifying broker (or both) have not met all renewal requirements, and therefore does not hold an active real estate license. Both the company and qualifying broker must hold an active real estate license in order for them or licensees registered to that company to engage in real estate transactions. Qualifying brokers must make sure that their license and their company license have met all renewal requirements and the licenses are active. Failure to do so will result in the company, qualifying broker, and other licenses registered to that company being placed on inactive status.