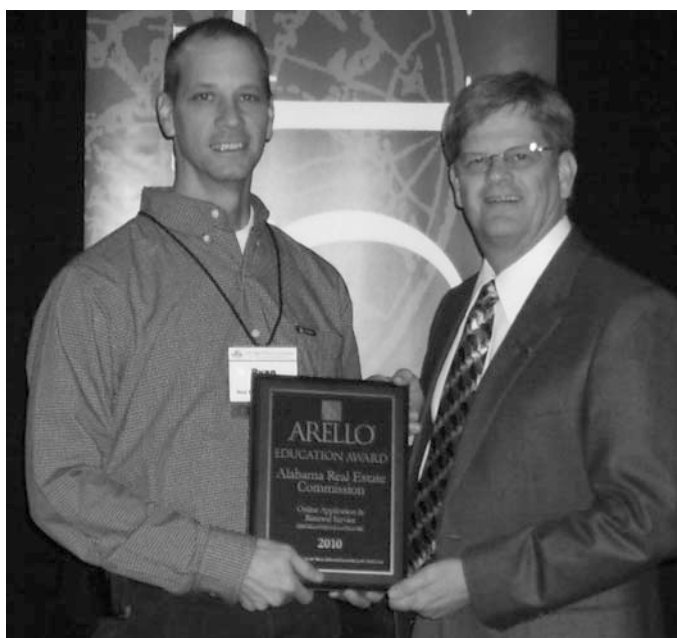


WINTER 2011

Commission Recognized for Innovative Education Licensing Processes



Commission Education Director Ryan Adair (left) receives award from ARELLO President Gary Isom.

The Alabama Real Estate Commission was recognized by the Association of Real Estate License Law Officials (ARELLO®) for its Education Division's Online Application and Renewal Service. The award was presented at ARELLO's Annual Conference in September 2010.

Instructors previously submitted a paper application in an effort to have courses approved. As there are many approvals and renewals that must take place on a consistent basis, this presented a challenging and time-consuming task for instructors and school administrators. More and more processes currently required in our society are being converted from manual to electronic/online, making them much easier and convenient. The same idea was in mind as the Commission began working toward the goal of becoming paperless.

Detailed online course application instructions are provided on the Commission's website for easy access. The new online course approval system accepts all payments made by credit card or e-check so there is no delay in processing the application fee

and no problem with a fee being inadvertently left out of the application package. Instructors are able to enter all the course information through the online application, including basic information such as the course title, the number of credit hours requested, the difficulty level of the material, the instructional methods utilized, and the materials used in the instruction. The online application process has been very well received by instructors and school administrators.

In evaluating submissions, the ARELLO® Committee considered several primary factors including: How well is the program concept supported by clearly identified educational needs and goals? Is the information being conveyed appropriate for the target audience? Is the program timely and current in concept? How well does the program's design and method of delivery/presentation contribute to accomplishment of the program's goals? Is the information presented in a logical and well-organized manner?

The Alabama Real Estate Commission has received past ARELLO® Education awards for Instructor Development Program, Total Education Program, CMAP (Course Management Application Program), Agency Disclosure, RECAD, and the 30 Hour Post License Course.

ARELLO® is an international organization. In addition to the United States, member organizations are located in Canada, Africa, Europe, Asia, Australia, Latin America, and the Caribbean/Atlantic. ■

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BRIEFLY LEGAL

New Home Sales from Model Home

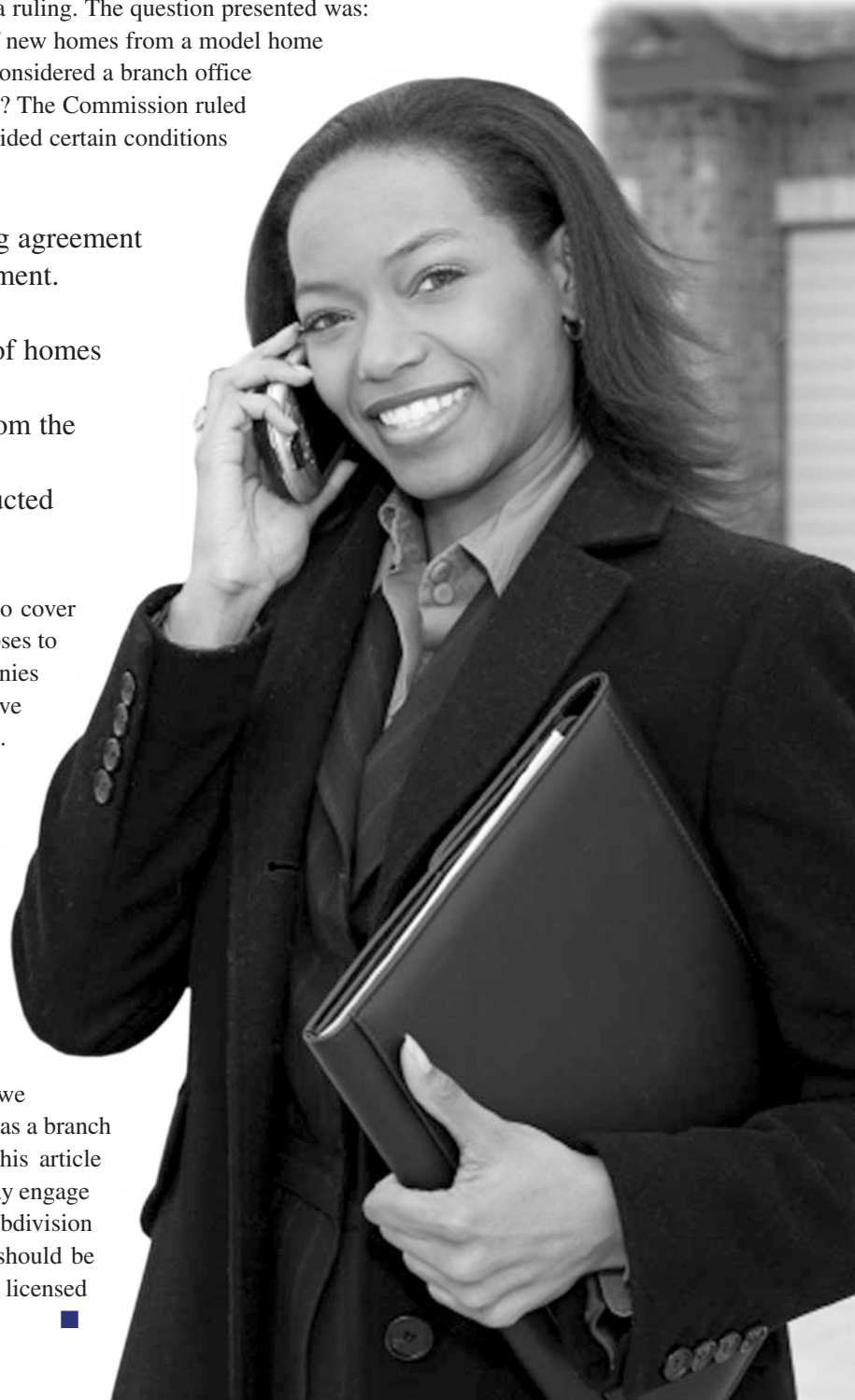
By Charles R. Sowell, General Counsel

Many years ago the Commission was asked for a ruling. The question presented was: If a real estate company is conducting sales of new homes from a model home in a subdivision or development, will this be considered a branch office requiring a branch office license and qualifying broker? The Commission ruled that this would not be considered a branch office, provided certain conditions are met. Here are those conditions:

- The real estate company must have a listing agreement covering the whole subdivision or development.
- The model home must be on-site.
- The sales may only be the first-time sales of homes in that development.
- No re-sales of homes may be conducted from the model home.
- No other real estate business may be conducted from the model home.

We are often asked to clarify this some. I will try to cover some frequently asked questions. If the developer chooses to list homes with multiple companies, none of the companies may utilize a model home. In this case the sales will have to be conducted without the aid of some on-site office. It does not matter to the Commission if the on-site office is actually a model home, or if it is something like a mobile home. We have no rules concerning signage used at a model home. The broker is free to use whatever signage is appropriate.

Obviously, the licensees involved in the sales are going to get into situations where prospective buyers will ask about listings in other locations. When this happens the licensee must take these conversations off-site. We will not allow a model home to be used as an unlicensed branch office. Interestingly, we have seen a few brokers actually license a model home as a branch office. This means that the conditions discussed in this article do not apply. After all, a fully licensed branch office may engage in all legal activities. Although we do not enforce subdivision restrictions, covenants, or local zoning provisions, it should be noted that these might not allow a model home or a licensed branch office to be operated. ■



EDUCATION CORNER

By Ryan Adair, Education Director

I have recently started tracing my ancestry and I'm finding some very interesting information. You would be amazed at how your family may have changed over the years. You can say the same about license law. You may be surprised at how much it has changed over the years. Look at the following items and you will see. By the way, if anyone knows anything about William W. Adair who lived in Georgia around the early 1800s, please let me know.

Did you know when License Law was adopted.....?

- Alabama was the 19th state (along with Florida and Delaware) to pass a real estate license law in the year 1927. Oregon was the first state to pass a license law and they did so in 1919.
- The first license law book, which became effective on January 1, 1928, was the size of the Lead-Based Paint Disclosure pamphlet.
- Broker applicants were required to provide a recommendation of good reputation, honesty, and competency from at least two real estate owners who were not related to the applicant.
- The license fee was based on the number of people in your county. If your county had less than 75,000 people, the salesperson fee was \$5 and the broker fee was \$10. If you lived in a county with a population of over 75,000, the salesperson fee was \$10 and the broker fee was \$15.
- Real estate license applicants did not have to take a course or an exam.
- There were only three commissioners and that did not change until 1951.
- The prelicense course requirement for salespersons changed from 36 to 45 hours in 1976 and from 45 to 60 hours in 1996.
- Prior to 1979 there was no Recovery Fund so salespersons and brokers had to carry their own bond. Salespersons carried a \$2000 bond while brokers carried an \$8000 bond.
- In the early 1980's inactive status was added to the law. Prior to that, you either had an active license with a company or were "out of business."
- There was no continuing education (CE) requirement until 1986...fifty-eight years after the license law was enacted. The CE requirement will celebrate its 25th anniversary this year.
- In 1988 licensees had to keep up with their CE certificates and turn them in with their renewal forms. Now instructors submit CE credit electronically to the Commission almost immediately upon completion of the course. Now that's progress!
- There was no post license course requirement or temporary salesperson license until 1993.
- RECAD did not exist until it was passed by the legislature in 1995 and enacted in 1996. There was an "agency law" that passed in 1989 that amended Section 34-27-8 to require agency disclosure in an offer to purchase.
- The law to provide for reciprocal licensing passed in 1996. Prior to that applicants who lived in another state had to meet all the same requirements as Alabama residents although national exam scores and some course work were accepted from other states.
- 2007 — The year with the largest number of salesperson and broker examinees with 7,127 people taking the licensing examination.
- 2010 — The year with the second smallest number of salesperson and broker examinees with only 1,961 people taking the licensing examination. The only year with fewer people taking the exam since the Commission started tracking the numbers in 1974 was 1982 when 1,610 people tested.

Did you know that in more recent years.....?

- The license examination that used to be a paper and pencil exam offered only in Montgomery once a month, is now taken on computer and can be taken at any one of the six test centers located around the state at either a morning or afternoon session Monday-Friday.

As you can see, there have been many changes over the years. However, one thing that has not changed is the need for education. The requirements have increased because of the importance of continued learning. Who knows? Somewhere down the road someone may say "Did you know that real estate licensees used to take only 15 hours of CE every two years? They were so lucky!" ■

LICENSING TIDBITS

By Anthony Griffin, Licensing Administrator

Where is My Real Estate License?

Many Qualifying Broker's (QB's) are aware that, as of July 1, 2010, the Real Estate Commission no longer mails hard copies of real estate licenses from the Commission office.

As a reminder to QB's, once an active company, broker, associate broker, or salesperson license is issued by the Commission it is available for viewing and printing at the Commission's website by the QB under the company's login.

The company's login can be accomplished by entering the company license number, the last four digits of the QB's social security number, and the QB's date of birth.

Once logged in, select Official (License) Document Printing and any license issued by the Commission can be viewed and printed. Only the Qualifying Broker can view and print licenses.

When Should the Qualifying Broker Print Licenses?

Whenever new licenses are issued, the QB should go to Official Document printing under the company login to view and print the licenses. Actions that cause new licenses to be issued are when:

- Applications are submitted for licenses to be issued to active status for: Temporary Salespersons

and Brokers, Original Salespersons and Brokers, Reciprocal Salespersons and Brokers, Multiple Brokers, and Companies and Branches.

- A company or branch changes Qualifying Brokers (Change of Qualifying Broker Form submitted).
- A company or branch changes name and/or address (Company/Branch Change of Name/Address form submitted).
- A license is transferred from inactive to active status, initiated by a licensee submitting a License Activation Form. Salespersons and Associate Brokers can activate online, in which case the new QB will receive a letter notifying him or her of the license activation to their company.
 - An active Associate Broker or Salesperson transfers his or her license to a new or existing company by submitting a Registration/Transfer form to the Commission. Associate Brokers and Salespersons can also transfer to companies online, in which case the new QB will receive a letter notifying him or her of the transfer to their company.

NOTE: Any QB who is notified of an online transfer to his or her company can return the license immediately to the Commission if the QB does not wish to accept responsibility for that licensee.

Applications and forms submitted to the Commission are normally processed within three business days from the date received by the Commission's Licensing Division, provided there are no problems with the application or form. The License Status Verification link on the Commission's website is an excellent source for confirming that the Commission has processed an application or form and issued a new license.

(Continued on page 5)



License Print and Mail Option

There has been a tremendously positive response to the license print option now available to every qualifying broker. Qualifying brokers can now print licenses for associate brokers and salespersons any time a new license is issued to that company. Any QB that does not wish to print licenses online and would like licenses printed and mailed from the Commission office to their company address, can complete the License Print and Mail Form, available from the Commission’s website under the Forms and Information link. Once this form is received by the Commission, all future licenses issued to this company will be printed and mailed.

It is important for QB’s to remember that submitting a License Print and Mail Form will not prompt the Commission to print and mail hard copies of licenses issued prior to the form being submitted; only future licenses issued will be printed and mailed. If you are having problems printing any licenses issued prior to the License Print and Mail Form being submitted, please contact a member of the Licensing Division for assistance.

Ensure the Commission has Your Residence Address on File

It is important that the Real Estate Commission has the correct home address on file for each licensee. Some licensees list P.O. Box addresses on forms and applications as their home address or they update their home address online using a P.O. Box, which should not be done. Licensees must ensure that the Commission has their correct physical residence address on file. If you cannot receive mail or do not choose to receive mail at your residence, you can provide the Commission with a separate mailing address, such as a P.O. Box, where you would like Commission correspondences mailed to you.

As a reminder each licensee shall notify the Commission of any change in his or her residence address within 30 days of the change (Section 34-27-35(h) Alabama Real Estate License Law). It is also a good idea to periodically verify that the Commission has all your current personal contact information on file, such as email addresses and phone numbers. Verifications and updates to personal contact information can be done online at the Commission’s website under the Online Services link. Changes can also be made in writing by submitting a statement by mail or email to the Commission’s Licensing Division. There is no charge to update any personal data. ■

ATTENTION! QUALIFYING BROKERS

Remember, You Can Now Print Your Own Licenses.

- Every Company has its own license **SEPARATE** from that of the Qualifying Broker.
- Login using the Company license number, **NOT** the Qualifying Broker’s license number.
- Enter the **QUALIFYING BROKER’S** social security number.
- Enter the **QUALIFYING BROKER’S** date of birth.

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. ■



RENEWAL UPDATE

As of March 2, 2011

Total Salespersons Renewed	14798
Active.....	8966
Inactive.....	5832
Total Brokers Renewed	8235
Active.....	6684
Inactive.....	1551
Total Companies/Branches	3692
Active.....	3583
Inactive.....	109
TOTAL RENEWED	26,725

DISCIPLINARY ACTIONS TAKEN

September 2010 through January 2011

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.

Shirley L. Baker

License No. 000018791

Associate Broker; Auburn, Alabama
Date of Hearing: September 24, 2010
Fined \$250

Christopher Danford

License No. 000088811

Salesperson; Phenix City, Alabama
Date of Hearing: September 24, 2010
Fined \$250

Gail Y. Pettus

License No. 000060666

Salesperson; Florence, Alabama
Date of Hearing: September 24, 2010
Fined \$250

Dianne Davis

License No. 000063899

Salesperson; McCalla, Alabama
Date of Hearing: October 22, 2010
Fined \$250

Kimberly Ann Hardwick

License No. 000093243

Salesperson; Dothan, Alabama
Date of Hearing: October 22, 2010
Fined \$250

Katshalliam Kimber

License No. 000094337

Salesperson; Phenix City, Alabama
Date of Hearing: October 22, 2010
Fined \$250

P. Carla Scott

License No. 000033178

Salesperson; Birmingham, Alabama
Date of Hearing: October 22, 2010
Fined \$250

Myles K. Sherrill

License No. 000073383

Salesperson; Birmingham, Alabama
Date of Hearing: October 22, 2010
Fined \$250



Elvis C. Stephens

License No. 000052400

Salesperson; Birmingham, Alabama
Date of Hearing: October 22, 2010
Fined \$250

Marilou G. Wrann

License No. 000089031

Associate Broker; Niceville, Florida
Date of Hearing: November 19, 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.

Leslie J. Austin

License No. 000068198

Qualifying Broker; Pensacola, Florida
Date of Hearing: September 24, 2010
Fined \$250

Alex Yadyasar Mims

License No. 000073392

Qualifying Broker; Birmingham, Alabama
Date of Hearing: October 22, 2010
Fined \$100

Mark R. Zajac

License No. 000089047

Qualifying Broker; Chesterfield, Missouri
Date of Hearing: October 22, 2010
Fined \$100

Benjamin F. Anderson

License No. 000088890

Qualifying Broker; Destin, Florida
Date of Hearing: November 19, 2010
Fined \$250

Arthur L. Ellis

License No. 000058450

Qualifying Broker; Fortson, Georgia
Date of Hearing: November 19, 2010
Fined \$250

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 escrow account.

Michelle J. Humphrey

License No. 49065

Qualifying Broker; Oneonta, Alabama
Date of Hearing: August 27, 2010
License Revoked

Century 21

Town-N-Country Realty

License No. 32090

Company; Oneonta, Alabama
Date of Hearing: August 27, 2010
License Revoked

DISPOSITION

The below was found guilty of Counts #1 and #2 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.

Ginger Fountain

License No. 000070343

Salesperson; Birmingham, Alabama
Date of Hearing: September 24, 2010
Fined \$5,000 (\$2,500 per count) and license suspended for 90 days. Suspension will be permanently stayed provided she completes the Risk Management course.

DISPOSITION

The below was found guilty of violating Section 34-27-36(a)(21) for misrepresenting or failing to disclose to a lender, guaranteeing agency, or any other interested party, the true terms of a sales of real estate.

Ken Faught

License No. 000023660

Associate Broker; Tuscaloosa, Alabama

Date of Hearing: October 22, 2010

Fined \$2,500 and license suspended for 90 days. Suspension will be permanent-ly stayed provided he completes the Risk Management course.

DISPOSITION

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

Richard R. Austin

License No. 000074163

Associate Broker; Montgomery, Alabama

Date of Hearing: November 19, 2010

Donald Adam Manning

License No. 000072775

Salesperson; Daphne, Alabama

Date of Hearing: January 20, 2011 ■

OTHER ADMINISTRATIVE ACTIONS

DETERMINATION OF LICENSURE

Approved..... 7
 Denied..... 2

DETERMINATION OF ELIGIBILITY

Approved..... 0
 Denied..... 2

COMPLAINTS AND INQUIRIES HANDLED BY LEGAL AND INVESTIGATIVE STAFF

From Licensees..... 1,443
 From Public..... 805
 Anonymous..... 74

TECHNOLOGICALLY SPEAKING

10 Technology-Based New Year's Resolutions

By Steven Brown, IT Systems Technician, Senior

1. **I will** use secure passwords that I can remember, yet cannot be guessed easily.
2. **I will** find other uses for Facebook other than tending my virtual farm.
3. **I will** stop forwarding emails without checking their validity on snopes.com first.
4. **I will** stop hiding my password under my keyboard because I know that's the first place someone would check.
5. **I will** make sure that I am running antivirus software on my computer and I will make sure it always has up-to-date virus definitions.
6. **I will** read the owner's manual FIRST.
7. **I will** find out what else my smartphone can do besides playing "Angry Birds."
8. **I will** realize that there is not a member of a royal family in Nigeria who is willing to give me \$10,000 if I supply him with my bank account information so he can transfer money.
9. **I will not** click on website pages that pop up and tell me my computer is infected with viruses.
10. **I will** learn how to enter a website address in the browser's address bar instead of always entering the address in Google.

LET'S MAKE 2011 A SAFE AND PRODUCTIVE YEAR! ■

ARELLO MOURNS PASSING OF CEO



Debbie E. Campagnola

The Association of Real Estate Licensing Law Officials (ARELLO®) and its members mourn the passing of CEO and dear friend Debbie E. Campagnola, who succumbed to illness on January 1, 2011, in Denver, Colorado. Services were held in Albuquerque, New Mexico on January 8.

Debbie was widely recognized as a real estate industry and regulatory

leader in Colorado, the U.S, Canada and around the world. In August 2006, Debbie assumed the position of Chief Executive Officer of ARELLO® and immediately gained the respect and admiration of the association's members and staff. Prior to joining ARELLO®, she served admirably for three years as the Director of the Colorado Division of Real Estate, a state agency responsible for the regulation of real estate, appraisal and mortgage licensees. During the preceding 15 years, Debbie served the Colorado Association of REALTORS® in several capacities: Operations Manager, Director of Information Technology, Human Resources Manager, Government Affairs Director and, for six years, as Chief Executive Officer.

Debbie was passionate in her loyalty to ARELLO®, its members, and its public protection mission. Our deepest sympathy is extended to her family. She will be sorely missed by us all. ■



1201 Carmichael Way • Montgomery, AL 36106

OUR MISSION

To protect the public through the licensing and regulating of Real Estate licensees.

OUR VISION

To ensure excellence in the real estate profession.

OUR VALUES

Excellence in stewardship, service, innovation, and integrity.

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- Steve Cawthon, Huntsville
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- Clifton Miller, Huntsville
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The Alabama Real Estate Commission UPDATE is published for the benefit of the Alabama Real Estate Industry by the Alabama Real Estate Commission.

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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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