



OKLAHOMA REAL ESTATE COMMISSION COMMENT

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NO. 1

National Background Checks To Take Effect January 1, 2008

This new law will apply to both new license applicants and those allowing their license to expire after January 1, 2008

Effective January 1, 2008 anyone applying for a real estate license will be required to submit to a state and federal background check per HB 1006, which was signed into law by Governor Henry in May of 2007. Background checks will be required on anyone wishing to obtain a Provisional Sales, Sales Associate or Broker License whether they are applying as a resident or non-resident licensee.

A licensee who allows their license to lapse, for any period of time, will also be subject to the background check requirement beginning January 1, 2008.

The cost for the background check will be approximately \$45 and must be submitted to the Commission with the appropriate completed form and a fingerprint card. The Commission will have an order form on the Commission's website to request

a fingerprint card from the Commission. The cost to obtain fingerprints has been estimated to cost approximately \$10 and locations to obtain those prints will also be available on the Commission's website.

Applicants wishing to obtain a new license should plan accordingly and allow approximately 60 days in order to complete the background check process. The Commission suggests you proceed with this process prior to enrolling in real estate school; however, the Commission will place a validity period on the reports so one should be careful to not obtain the report too early in the process.

In the coming months the Commission will provide detailed instructions and forms on its website regarding the procedures for this new requirement.

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The Oklahoma Real Estate
Commission Comment

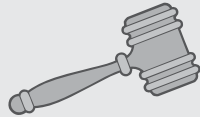
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Pete Galbraith Sapulpa
Anne M. Woody, Executive Director Staff

Address all communications to the
Commission Office

"Use your zip code and ours
when you write to us"



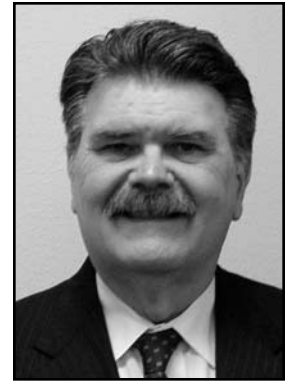
**BY ORDER OF THE
COMMISSION
DISCIPLINARY ACTIONS
AS OF APRIL 2007**

NOVEMBER 2006

**C-2005-108 – Carbin Realty LLC,
Carl B. Carbin (B) and Mablelene
M. Jackson (SA) – Oklahoma City:**
Commission found that Carl Carbin
had agreed to violations of: Title 59
O.S. §858-312(6) and Rule 605:10-
13-1(d), in that Respondents may have
failed, within a reasonable amount of
time, to account for or to remit any
monies, documents, or other property
coming into possession of the licensee
which belongs to others by failing to
maintain such funds in said bank
account until the transaction involved is
consummated or terminated and proper
accounting made as Respondents
disbursed a disputed earnest money
deposit to one of the parties without
the knowledge or consent of the other
party. *The Commission ordered that
Carl Carbin and Carbin Realty LLC
each assessed an administrative fine of
Five Hundred Dollars (\$500.00.*

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**CHAIRMAN'S
CORNER**



Charles Barnes

What a great opportunity it has been to be in the real estate business. For those of you who are practicing real estate, the economic challenges and changes in Oklahoma have been vast in comparison to the late 1980's and the 1990's and interest rates are reasonably low compared to when 18% FHA and VA rates hit. I still remember the mantra, "Lord give us one more oil boom and we promise not to make the same mistakes."

The Oklahoma economy is in wonderful shape regardless of the bad news echoed from the East and West coast. In fact, a home in Oklahoma can be bought for the down-payment of a home elsewhere in the United States.

Other progressive news in the state of Oklahoma is the scheduling of the FBI/SBI fingerprint background checks by the Oklahoma Real Estate Commission, which will begin January 1, 2008, for all new license applicants. This will require all new applicants to submit fingerprint cards, furnished by the OREC, to the OSBI for background checks before the issuance of a license. Additionally, if current licensees let their license lapse they will be subject to the federal and state background check requirement.

Real estate brokers will then be able to hire new associates knowing their background has been examined and the public can be assured of the integrity of the real estate community.

With this being said, I would like to thank the staff of the OREC for their help in making this past year a memorable experience. Joe T. Frizzell, Charles C. Case and Norris Price laid a great foundation and set a precedent that current director Anne M. Woody still follows. This kind of character was seen when the staff of the OREC during September and October of 2006, had to handle the influx of applicants due to the pre-hour requirement change. Examinations were administered to a record number of people and the staff stayed into the late night hours making sure the examinations were graded and most notably that no one was turned away from testing. Anne is a hands-on director who has created unequalled synergy. What a great staff she has assembled.

Other than serving God, my service on the OREC has been one of the most humbling experiences a person could have. I have learned more during the three years on the OREC than my first 33 years in real estate. The fellow Commissioners that I have served with have strived to do a great job and will continue to do so. I expect to see nothing but great things in the state of Oklahoma.

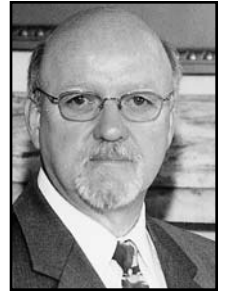
Charles Barnes, Chairman

Governor Reappoints Commissioners To Serve Another Term

Governor Brad Henry reappointed Charles Barnes, school member of Midwest City to serve a 2nd term until June 30, 2010. Mr. Barnes is owner of Charles Barnes School of Real Estate with one school location in Midwest City and a second school location that just opened June 1, 2007 in Moore. Mr. Barnes attended Central State University and Oklahoma City University and he entered the real estate business in 1971. He started Charles Barnes School of Real Estate in 1978 and served as past Director of the Midwest City – Del City Board of Realtors; past Director of the National Association of Review Appraisers; and past President of Realty World Broker's Council of Oklahoma. Mr. Barnes has been married to Patty for 23 years and they have a son Charles ("Mack") and daughter-in-law Lindsay. He enjoys traveling.



Martin VanMeter, broker member of Durant was reappointed by the Governor to serve his fourth term on the Commission until June 30, 2010. Mr. VanMeter is owner of Coldwell Banker VanMeter/Rader Group, with the main office in Durant and a branch office in Kingston. Mr. VanMeter has held a real estate license since 1972 and has been an appraiser since 1972. He attended Murray State College and obtained a Bachelor of Science Degree from Oklahoma State University. Mr. VanMeter served on the Murray State College Board of Regents for 8 years before serving as a Real Estate Commissioner. In conjunction with his service on the Commission he serves on the Board of Rural Enterprises of Oklahoma and he was past President of the Durant Chamber of Commerce. He is married to Linda who works with him in the Durant office and he enjoys raising angus cattle, traveling and golf.



Congratulations gentlemen.

Ancillary Services Completing Commission Developed Contract Forms or Related Addenda

It has recently come to the attention of the Real Estate Commission that ancillary services (home inspection companies, mortgage brokers, etc.) are completing portions of the Residential Sales Contract or related contract addenda. In a particular incident, a home inspection company transferred their inspection report to the Treatments, Repairs and Replacements (TRR) form and saved it in a Word format for convenience as a time saving measure for the selling associate. The selling associate then discussed the home inspection reports, along with the TRR form, with the buyer. The buyer then decided what information was to be included on the TRR form that ultimately was to be used in contract negotiations.

Commission's Response: Managing brokers should establish an office policy and decide if this process is to be utilized within their office and advise their associates accordingly. The Commission indicated that their concern was that associates may begin to *shirk their duties* by *not* reviewing the draft TRR with the buyer and letting the buyer decide exactly what items should finally

appear on the TRR list as part of final negotiations. Again the Commission strongly urges brokers to give associates guidance on how to handle a draft TRR that is completed by a home inspector (as a matter of convenience for the selling associate.)

Caution - If a home inspector leaves something off the draft TRR form that a buyer wants included on the TRR form, the licensee could assume full responsibility for accepting the home inspector's incomplete summary.

The Commission does not have jurisdiction over ancillary services; **however, the Commission would have jurisdiction over an unlicensed person (ancillary service) who completes Commission approved forms and provides them directly to the consumer** when such form is to be utilized in contract negotiations. As in the example above, the ancillary service only provided a clerical service to the licensee and the licensee was responsible for ensuring that the home inspector did, in fact, transfer all of the information from the home inspection report to the TRR addendum.

Online License Renewal and Continuing Education Lookup Programs Available Beginning July 1, 2007

Have you ever wondered what it would be like to renew your real estate license without ever having to leave the house? Have you ever woke up in the middle of the night wondering how many CE hours were on record for you at the Real Estate Commission? Well stop wondering -- beginning July 1, 2007 you will be able to renew your real estate license online utilizing a major credit card or debit card. Also you will be able to view your continuing education hours 24 hours a day, 7 days a week.

Online license renewal – Upon logging in to the system you will create a secure password for the transaction and future use. You will be able to check your personal information, i.e., home address, home phone number, etc. and if such has changed you will be able to change the information online. Note: Licenses will continue to be mailed to the broker's office; however, your home address and home phone number is required to be current with the Commission.

Remember: before your renewal can be processed, your continuing education must be complete, and now you can check your continuing education status simultaneously. If you have the required number of hours you will be able to proceed with your online license renewal. You must have at least the following hours recorded:

12 hours recorded of required subject matter encompassing all four core subjects (Fair Housing, Professional Conduct, Broker Relationships, Hot Topic; and,
9 hours recorded of elective subject matter.

Once you have renewed the license online you will be able to print out verification of your transaction. Your information will be updated at the Commission and you should receive your applicable pocket card and/or license within 5 working days following your online transaction.

In June, each licensee was mailed an information flyer giving more detailed information about online renewals. Some of the information included the following:

What might prevent you from renewing online?

- License is lapsed or revoked.
- CE hours or Provisional Sales Associate course have not been recorded at the Commission and you desire an active renewal.
- You have been notified by the Tax Commission that you are not compliant with state income tax.

Limitations of Online License Renewal:

- You cannot change brokers or business address.
- You cannot change your license status from active to inactive or vice versa.
- You cannot change your license type from a sales or broker associate to a broker or from a broker to a broker associate.

If you experience any technical problems, please click on the "Need Assistance?" icon in the left margin of the web page and you will find a number listed for technical problems. If you have problems with the information that is being displayed, please contact the Commission.

Rule Change – There was one rule change due to online license renewals that deals with the payment of a late penalty fee. For online license renewals a late penalty fee of \$10.00 will be assessed at 12 midnight on the 10th of each month. However, if you mail or hand deliver your renewal to the Commission, the time period variations due to holidays and postmarks will be taken into consideration.

Commission Rules Become Effective July 1, 2007

Following are rules that were adopted by the Real Estate Commission on March 14, 2007. The rules were submitted to the Governor and Legislature for consideration and approval was obtained for the rules to become effective July 1, 2007.

Underlined language represents new language. Words that are hyphenated through represent language that is being deleted. Three asterisks indicate that other existing language was not changed.

Please visit our website at www.orec.ok.gov for a revised License Code and Rule booklet on or after July 1, 2007. If you have any questions about the rules, please contact the Commission.

CHAPTER 1. ADMINISTRATIVE OPERATIONS SUBCHAPTER 1. GENERAL PROVISIONS

605:1-1-4. Operational procedures

(a) **Organization.** The organization of the Commission is declared to be that as enumerated in Sections 858-201 through 858-204 of the heretofore described Code.

(b) **Operational procedures.** The general course and method of operation shall be as hereinafter specified in overall provisions of the rules of this Title.

(c) **Open Records Act.** In conformance with Title 51, Section 24 A.1., et seq, Oklahoma Statutes, 1985, titled "Oklahoma Open Records Act" all open records of the Real Estate Commission may be inspected and copied in accordance with pro-

cedures, policies, and fee as required by the Commission. The Commission shall charge the following:

- (1) A fee of \$.25 for each xerographic copy or micro-graphic image.
- (2) A fee of \$1.00 for each copy to be certified.
- (3) A fee of \$10.00 per hour for a record or file search.
- (4) A fee of Forty Dollars (\$40.00) per extract for License Data extract.
- (5) A fee of Fifty Dollars (\$50.00) every three (3) months for an Examinee Data extract.
- (6) A fee of no more than Seven Dollars and Fifty Cents (\$7.50) for a convenience fee for any electronic/on-line transaction.

* * *

CHAPTER 10. REQUIREMENTS, STANDARDS AND PROCEDURES

SUBCHAPTER 3. EDUCATION AND EXAMINATION REQUIREMENTS

605:10-3-1. Prelicense education requirements

(a) On and after July 1, 1993, as evidence of an applicant's having satisfactorily completed those education requirements as set forth in Sections 858-302 and 858-303 of the Code, each applicant for licensure shall present with his or her application a certification showing successful completion of the applicable course of study approved by the Commission as follows:

(1) To qualify an applicant for examination and licensure as a provisional sales associate, the course shall consist of at least ~~forty-five (45)~~ ninety (90) clock hours of instruction or its equivalent as determined by the Commission. In order for a provisional sales associate to obtain a sales associate license, the provisional sales associate must, following issuance of a provisional license, complete additional education as required in Section 858-302 of the Code. The prelicense course of study shall be referred to as the Basic Course of Real Estate, Part I of II and shall encompass the following areas of study:

- ~~(A) Nature of Real Estate~~
- ~~(B) Rights and Interests in Real Estate~~
- ~~(C) Agency Concepts Between Broker and Affiliated Associates~~
- ~~(D) Listing Contracts and Pricing~~
- ~~(E) Valuation and Appraisal~~
- ~~(F) Marketing and Selling~~
- ~~(G) Contract Law~~
- ~~(H) Legal Descriptions~~
- ~~(I) Offer and Purchase Contracts~~
- ~~(J) Title Search, Encumbrances, and Land Use Control~~
- ~~(K) Financing Real Estate~~
- ~~(L) Transfer of Interest in Real Estate~~
- ~~(M) Duty to Account~~
- ~~(N) Regulations Affecting Real Estate Transactions~~
- ~~(O) Brokerage Relationships With Parties to a Transaction~~
- (A) Real Estate Economics and Marketing

- (B) Nature of Real Estate
- (C) Rights and Interest in Real Estate
- (D) Legal Descriptions
- (E) Title Search, Encumbrances, and Land Use Control
- (F) Transfer of Rights
- (G) Service Contracts
- (H) Estimating Transaction Expenses
- (I) Value and Appraisal
- (J) Marketing Activities
- (K) Fair Housing
- (L) Contract Law Overview
- (M) Contract Law and Performance
- (N) Offers and Purchase Contracts
- (O) Financing Real Estate
- (P) Closing a Transaction
- (Q) Regulations Affecting Real Estate
- (R) Disclosures and Environmental Issues
- (S) Property Management and Leasing
- (T) Risk Management
- (U) Professional Standards of Conduct

(2) To qualify an applicant for examination and licensure as a broker, the course shall consist of at least ~~seventy-five (75)~~ ninety (90) clock hours of instruction or its equivalent as determined by the Commission. Such course of study shall be referred to as the Advanced Course in Real Estate and shall encompass the following areas of study:

- ~~(A) Laws and Rules Affecting Real Estate Practice~~
- ~~(B) Establishing a Real Estate Office~~
- ~~(C) Office Management~~
- ~~(D) Anti-Trust and Deceptive Trade~~
- ~~(E) Oklahoma Broker Relationships Act~~
- ~~(F) Risk Management and Insurance~~
- ~~(G) Disclosures, Hazards and Zoning~~
- ~~(H) Financial Management~~
- ~~(I) Real Estate Financing~~
- ~~(J) Specialized Operations~~
- ~~(K) Transaction File Maintenance~~
- ~~(L) Trust Accounts and Trust Funds~~
- ~~(M) Closing a Real Estate Transaction~~
- ~~(N) Closing Statements~~
- (A) Laws and Rules Affecting Real Estate Practice
- (B) Broker Supervision
- (C) Establishing a Real Estate Office
- (D) Professional Development
- (E) Business Office Management
- (F) Office Financial Management
- (G) Anti-Trust and Deceptive Trade
- (H) Risk Management and Insurance
- (I) Disclosures, Hazards, and Zoning
- (J) Real Estate Financing
- (K) Specialized Property Operations
- (L) Transaction Management
- (M) Closing a Real Estate Transaction
- (N) Closing Statements
- (O) Professional Standards of Conduct

605:10-3-5. Examinations

(d) **Applicant request to view failed examination.** An applicant who fails the examination may, within thirty (30) days of the date of the examination, personally visit the Commission office and view his or her examination. If, as a result of such viewing, the applicant is of the opinion incorrect grading was the cause for his or her receiving a failing grade, he or she may within ten (10) days request a review by the Commission of his or her examination. The purpose of such a review by the Commission shall be to determine whether or not such examination was correctly graded. Applicants will be allowed up to one (1) hour to review their exam and the applicant will not be allowed to test on the same day they review a failed examination. No notes, pencils, or electronic devices will be allowed during review.

SUBCHAPTER 5. INSTRUCTOR AND ENTITY REQUIREMENTS AND STANDARDS

605:10-5-1.1 Approval of postlicense course offerings

(f) Instructor renewal requirements.

(1) In order to maintain approved status, an instructor must comply with the following:

(A) Attend a Commission directed Instructor Renewal Course, or its equivalent, every twelve (12) months. An exception to this rule may be given by the Commission if such instructor is licensed or certified through another regulatory body. Instructors approved solely for distance education offerings must complete three (3) hours every twelve (12) months of instructor training as accepted by the Commission and sign a statement that changes to current law and rules have been reviewed and that the instructor has made applicable amendments to the course material.

(B) Furnish evidence that the instructor has taught a Commission approved Postlicense course, or any other real estate related course(s) the Commission determines to be equivalent, within a required thirty-six (36) month period.

(2) Any instructor not meeting the requirements of this subsection will be required to re-apply as an original instructor applicant.

(f) (g) **Guest instructors.** Guest instructors may be utilized provided an approved instructor is also present during presentations. Total guest instruction and lectures shall not consume more than thirty percent (30%) of the total course time.

(g) (h) Instructor and entity requirements.

(1) **Instructor must be present.** An approved instructor must be present in the same room during all course instruction for students to receive credit toward course completion.

(2) **Retention of records.** An instructor/entity shall maintain a record of enrollment records and roll sheets which include number of hours attempted by each student.

(3) **Course completion certificate.** Each individual successfully completing a course of study approved by the Commission shall be furnished a certificate prescribed or approved by the Commission certifying completion. The Commission shall accept from a college or university a certified transcript or a course completion certificate as prescribed by the Commission.

(4) **Commission authorized to audit and inspect records.** A duly authorized designee of the Commission may audit any offering and/or inspect the records of the entity at any time during its presentation or during reasonable office hours or the entity may be required to provide the records to the Commission.

(5) **Clock hours and breaks.** Not more than one clock hour may be registered within any one sixty (60) minute period and no more than ten (10) minutes of each hour shall be utilized for breaks.

(6) **Class size limited.** Instructor ratio to students shall not exceed sixty (60).

(h) (i) **Facility approval requirements.** Before an approved course offering can be presented at a location, the person or group presenting the course must seek approval of the facility to be used for presentation of the course. A Commission approved application must be completed and accompanied by a Seventy-five Dollar (\$75.00) application fee.

(1) The application fee may be waived if the facility request for approval has been approved for use as a classroom by the State Department of Education, State Regents of Higher Education, or State Vocational and Technical Education.

(2) The application fee may be waived if an entity is requesting to utilize a facility that is currently approved by the Commission as an active facility site.

(3) The Commission shall act on a facility application within thirty (30) days of receipt of application.

(h) (j) **Disciplinary action.** An approved course of study, director, instructor and/or facility may be withdrawn or disciplined as outlined in Title 59, O.S., Section 858-208, paragraph 6 either on a complaint filed by an interested person or the Commission's own motion, for the following reasons, but only after a hearing before the Commission and/or a Hearing Examiner appointed by the Commission:

(1) In the event the real estate license of a director is suspended or revoked, the course of study shall automatically be revoked.

(2) In the event the real estate license of an instructor is suspended or revoked.

(3) Failure to comply with any portion of the Code or the rules of this Chapter.

(4) Falsification of records and/or application(s) filed with the Commission.

(5) False and/or misleading advertisement.

(6) Any other improper conduct or activity of the director, instructor, or entity the Commission determines to be unacceptable.

605:10-5-2. Approval of continuing education offerings

(a) **Approval and expiration of application.** An entity seeking to conduct an approved continuing education offering shall make application for the approval or renewal of each offering. Such approval or renewal shall expire at the end of the ~~twelfth (12) month~~ twenty-fourth (24) month including the month of issuance.

(b) **Application form.** Each application by a sponsoring entity for approval of an offering or group of offerings not exceeding thirty-six (36) hours covered by the same application must be accompanied by a non-refundable ~~Thirty-five Dollar (\$35.00)~~ Seventy Dollar (\$70.00) application fee. Such application shall be made on a form prescribed by the Commission. The application shall include, but not limited to, the following information:

* * *

(d) **Course renewal requirements.** An application for renewal of any offering or group of offerings by an entity shall also be accompanied by a non-refundable application fee of ~~Thirty-five Dollars (\$35.00)~~ Seventy Dollars (\$70.00) for a twenty-four (24) month period. Renewal applications shall be subject to the same requirements as original applications, but may cross-reference an earlier application regarding previously approved course offerings to the extent that items have not changed since a previous application.

* * *

SUBCHAPTER 7. LICENSING PROCEDURES AND OPTIONS

605:10-7-1. License issuance

No real estate licensee shall begin operations in the real estate business without first having been issued his or her numbered active license certificate. This includes all original licenses, activations, reinstatements and all license types being changed from an associate to a broker or branch office broker, as defined in the rules.

605:10-7-2. License terms and fees; renewals; reinstatements

* * *

(d) **Late penalty.** All renewals shall be filed on or before midnight of the tenth day of the month in which said license is due to expire, except in the event that date falls on a Saturday, Sunday or holiday; in such case, the next Commission working day shall be considered the due date for all renewals except electronic online renewals wherein this exception would not apply. Any such renewal application filed after such date shall be subject to a late penalty fee of Ten Dollars (\$10.00).

(e) **Actual filing of license renewal.** A license shall lapse and terminate if a renewal application and required fees have not been filed with the Commission by midnight of the date on

which the license is due to expire, except in the event that date falls on a Saturday, Sunday or holiday; in such case, the next Commission working day shall be considered the due date. A renewal application and required fees are considered filed with the Commission on the date of the United States postal service postmark or the date personal delivery is made to the Commission office.

* * *

SUBCHAPTER 9. BROKER'S OPERATIONAL PROCEDURES

605:10-9-4. Advertising

* * *

(b) Associates advertising.

(1) An associate is prohibited from advertising under only his or her name.

(2) All advertising by an associate must be under the direct supervision of his or her broker.

(3) In all advertising, the associate must include the name of his or her broker or the name under which the broker operates, in such a way that the broker's reference is prominent, conspicuous and easily identifiable. If allowed by a broker, an associate may include in the advertisement:

(A) The associate's personal insignia of which such approval is to be maintained by the broker and which cannot be construed as that of a company name.

(B) The associate's personal nickname or alias which must be registered at the Commission prior to its use and which cannot be construed as that of a company name.

(C) An associate's contact information.

(D) A team name, approved by the broker, so long as the broker's reference is prominent, conspicuous, and easily identifiable, and which cannot be construed as that of a company name.

(E) A slogan which cannot be construed as that of a company name.

(F) A domain/website name that is registered with the broker.

(4) A sign rider with the associate's contact information may be attached to a yard sign if the yard sign contains the name or trade name and office telephone number of the broker.

(5) Open house or directional signs used in conjunction with broker's signs do not have to contain the name or trade name of the associate's broker and broker's telephone number.

* * *



Brokers Have Duties Under Oklahoma's Unclaimed Property Laws Even If They Do Not Have Escrow Accounts

Every state has an unclaimed property program. The purpose of these programs is to return unclaimed property to rightful owners. Unclaimed property includes uncashed checks (including vendor, commission, payroll, and escrow checks) and unclaimed funds, including but not limited to unclaimed escrow funds. In Oklahoma, the State Treasurer administers the unclaimed property program and the Act can be found in Title 60, Section 651, et. seq.

A person, company, association, non-profit, governmental agency, or other entity holding money for another is referred to as unclaimed when there is a lack of activity generated by the rightful owner of the property. Evidence of this inactivity includes failure to cash a check, the return of a check or correspondence by the Post Office as undeliverable, or the absence of any communication from the owner. If property remains unclaimed for a certain number of years, set by statute, it is considered abandoned and must be reported to the state's unclaimed property program. A holder is required to file an unclaimed property report with the State Treasurer on or before November 1 of each year for property reportable as of September 1 of that year.

The State Treasurer has the authority to audit the records of holders in Oklahoma, going back 10 years, to ensure they have complied with the state's unclaimed property laws. If a holder fails to maintain records for this period of time, the Treasurer is authorized to estimate the amount owed by a holder based on available records, or as compared to similarly situated holders. The cost of an audit may be recovered by the Treasurer from the holder.

If a holder fails to report and remit unclaimed property to the state, the holder is subject to payment of the following: (i) the value of the property plus interest at the annual rate of ten percent (10%) on the property from the date the property should

have been paid or delivered; (ii) civil penalties up to \$5,000.00; (iii) civil penalties in an amount equal to twenty-five percent (25%) of the value of the property that should have been paid or delivered. In addition, a person who willfully refuses after written demand by the State Treasurer to pay or deliver property to the State Treasurer may be guilty of a misdemeanor punishable by a fine up to \$5,000.00 and imprisonment for not more than six months.

All forms and information necessary to comply with Oklahoma's unclaimed property laws can be found on the State Treasurer's website at www.treasurer.ok.gov, click on Unclaimed Properties (left margin), then click on "Holder Information." The relevant forms needed are titled "Verification and Checklist" which allows you to identify the type of property you are holding (TR04-Escrow Accounts) and it indicates the years (5) in which the property is to be held by the holder; "Unclaimed Property and Instructions"; and "Form ~ 497-UP-2." Both the checklist and Form 497 UP-2 need to be filed with the Treasurer's Office. You can also complete this requirement electronically by downloading the software package supplied by the Treasurer's Office at no charge. To submit an electronic report, access www.wagers.net/hrs for free electronic Holder reporting system. For questions regarding this program you may call the Holder Information Phone Number at (405) 521-4273.

If you haven't been complying with the law, the Treasurer is currently offering a Compliance Assistance Program that gives a holder a year to come into compliance without penalty. You may want to give your accountant or bookkeeper a copy of this article. If not, take advantage of the Treasurer's Compliance Assistance Program. It is not known how long the Treasurer will continue to offer the Compliance Assistance Program.

2007 LEGISLATION

SB 1006 (Amends License Code and Rules) Effective January 1, 2008

The Real Estate Commission passed SB 1006 this year that implements the following to be effective January 1, 2008:

- Requirement of each license applicant to submit to a national criminal history record check and applicant must pay all costs associated with such check. This requirement *will also apply to those who allow their license to lapse and thus be considered an applicant for license.*
- Real Estate Commissioners terms extended from 3 years to 4 years.

- Contract Committee authorized to begin developing contracts for other than residential transactions, i.e., lease, commercial, etc.
- Educational and examination content materials are exempt from Open Records.

The full text of the bill can be found on the Commission's website at www.orec.ok.gov under 2007 Legislation, right margin of the home page.

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U-2006-001 – Jon E. Haley (Unlicensed) – Oklahoma City: Commission found that Respondent Jon Haley had agreed to violations of: Title 59 O.S. §858-301, Title 59 O.S. §858-312(2) (8) (9) and (11) in that he, while unlicensed, may have engaged in activities requiring a license in performing the duties of advertising, listing, selling and engaging in licensable real estate activities. *The Commission ordered that Jon E. Haley be assessed an administrative fine of One Thousand Five Hundred Dollars (\$1,500.00).*

December 2006

C-2006-021 – Forrest Lenn Geist (SA) – Owasso: Commission found Forrest L. Geist in violation of Title 59 O.S. §858-312, Subsections 8 and 9, and Rule 605:10-17-4(12), in that he acted in the capacity of a real estate licensee and attempted to obtain a commission or other valuable consideration without possessing an active real estate license; and Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(9), in that he failed to file a written response to the complaint as required. *The Commission ordered the Sales Associate license of Forrest Lenn Geist revoked.*

C-2005-096 – Wagoner Properties Incorporated, Charlotte S. Swenson (BM) and Betty Lou Pace (SA) – Wagoner: Commission found Respondents in violation of Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-13-3(a), in that they failed to obtain a written release from all parties prior to disbursing earnest money. *The Commission ordered that Wagoner Properties and Charlotte Swenson each be formally reprimanded and pay administrative fines of Four Hundred Dollars (\$400.00).*

January 2007

C-2006-118 – Dominion Group LLC, Ruth Boss (B) and Ann Campbell (SA) – Edmond: In Case No. CR-06-275C, in the United States District Court for the Western District of Oklahoma, Ms. Campbell pled guilty to one-count charging her with knowingly and willfully and with interdependence conspiring and agreeing with other persons to commit wire fraud (Title 18, U.S.C. Section 1343) in violation of Title 18, U.S.C. Section

371. The information provides “[t]he purpose of the conspiracy was for the defendant [Ann Campbell] and others to personally profit from the sale of 5916 Morning Dove by fraudulently causing the HUD-1 settlement statement to reflect the source of closing costs.” In exchange for Ms. Campbell’s guilty plea the government agreed to certain sentencing positions and agreed not to prosecute additional potential charges. Commission found that Ms. Campbell’s Guilty plea violates Title 59 O.S. §858-312(19). *The Commission ordered the summary suspension of Ann Campbell’s real estate sales associate’s license effective February 1, 2007.*

C-2005-007 – JSS & Associates, Incorporated and Johnny Steele (BM) – Edmond: Commission found Respondents in violation of Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(9), in that they failed to submit a written response to the complaint; Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-9-1, in that they failed to maintain a specific place of business available to the public during reasonable business hours; Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-9-2(a), in that they failed to erect and maintain a sign on or about the entrance to their office; and Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-9-5(a), in that they failed to register their new business address with the Commission within ten (10) days of the move. *The Commission ordered JSS & Associates and Johnny Steele to pay an administrative fine of One Hundred Twenty-five Dollars (\$125.00) each, totaling Two Hundred Fifty Dollars (\$250.00).*

C-2006-004 – Dan Allan Oldham (BP) – Woodward: Commission found Dan A. Oldham in violation of Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(b), in that he failed to file a written response to the complaint within fifteen (15) days, and violated Title 59 O.S. §858-312, Subsections 8 and 9, in that because he had demonstrated disregard for the laws of the State of Oklahoma, he was unworthy to act as a real estate licensee as set forth in Title 59 O.S. §858-312, Subsection 15. *The Commis-*

sion ordered the broker’s license of Dan Allan Oldham revoked.

C-2006-043 – John Raymond Schweiker (SA) – Tulsa: Commission found John Schweiker in violation of Title 59 O.S. §858-312, Subsections 1 and 9, in that he made a materially false statement in his application for license reinstatement in that he falsely indicated thereon that information regarding his probation had been previously reported to the Commission; and Title 59 O.S. §858-312, Subsections 8, 9 and 15, in that he engaged in untrustworthy conduct and may be unworthy to act as a real estate licensee, in that he entered a plea of Guilty to charges of Possession of CDS – Schedule 1 (Marijuana) and Possession of Drug Paraphernalia, and is currently on Probation until December 2007. *John Raymond Schweiker consented to an administrative fine of Three Hundred Dollars (\$300.00).*

U-2005-002 – ICE Companies, LLC and Tim Urban (Unlicensed) – Bixby: Commission found Tim Urban in violation of Title 59 O.S. §858-102(2) and Title 59 O.S. §858-301, in that he engaged in activities requiring an Oklahoma real estate license. *The Commission ordered Tim Urban be assessed an administrative fine of One Thousand Five Hundred Dollars (\$1,500.00).*

U-2005-004 – Branden R. Miller (Unlicensed) and Sandra Webb (Unlicensed) – Broken Arrow: Commission found Respondent Miller in violation of Title 59 O.S. §858-102(2), Title 59 O.S. §858-301 and Title 59 O.S. §858-312 (2), (8) and (9), in that he engaged in activities requiring a real estate license when he did not possess an Oklahoma real estate license. *The Commission ordered Branden Miller to pay an administrative fine of Five Thousand Dollars (\$5,000.00).*

C-2005-048 – Leroy Jemol Smith (SA-Inactive) – Tulsa: Commission found Respondent Smith to be in violation of Title 59 O.S. §858-312, Subsections 1 and 9, in that he failed to disclose on his application for an Oklahoma Real Estate License unpaid costs/fine judgment, and

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Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(9), in that he failed to file a written response to the complaint herein. *The Commission ordered that the Sales Associate license of Leroy Jemol Smith be revoked.*

C-2006-045 – Green Country Real Estate Investment, Incorporated, Tommy R. Goodman (BM) and Kendall Dustin Fulbright (PSA) – Tulsa: Commission found Tommy Goodman in violation of Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(6), in that he failed to insure that Kendall Fulbright maintained an active real estate license while engaging in licensable real estate activities. Kendall Fulbright was found to have violated Title 59 O.S. §858-312, Subsection 9 and Title 59 O.S. §858-102, Subsection 2, in that he engaged in licensable real estate activities during the period of time that his license was lapsed. *The Commission ordered an administrative fine of Five Hundred Dollars (\$500.00), a formal reprimand and continuing education for Respondent Tommy Goodman, and a fine of Two Thousand Dollars (\$2,000.00) and continuing education for Respondent Kendall Fulbright.*

C-2006-055 – Cheryl Tomao (B) – Tulsa: Commission found Cheryl Tomao in violation of Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(9), in that she failed to provide the requested information and documentation to the Commission regarding her DUI conviction, and violated Title 59 O.S. §858-312, Subsections 8 and 9 and Rule 605:10-17-4(9), in that she failed to respond in writing to the complaint in this matter and failed to appear for the scheduled personal interview. *The Commission ordered the broker's license of Cheryl Tomao revoked.*

March 2007

C-2005-024 – McGraw Davisson Stewart Incorporated, Joseph R. McGraw (BM) - Tulsa, McGraw Davisson Stewart Incorporated (BO), Robert Reed (BB) and Sara Beck (SA) – Langley: Violations by Respondents: Title 59 O.S. §858-312(6) and Rule 605:10-13-1(D),

in that Respondent McGraw Davisson Stewart, Inc. and Joseph R. McGraw, Jr. may have failed, within a reasonable amount of time, to account for or to remit any monies, documents, or other property coming into possession of the licensee which belong to others by failing to maintain such funds in said bank account until the transaction involved is consummated or terminated and proper accounting made as Respondents McGraw Davisson Stewart, Inc. and Joseph R. McGraw disbursed a disputed earnest money deposit to one of the parties without the knowledge or consent of the other party. *McGraw Davisson Stewart Incorporated and Joseph R. McGraw Jr. consented to paying an administrative fine of Five Hundred Dollars (\$500.00) each for a total of One Thousand Dollars (\$1,000.00).*

C-2005-064 – Suzie J. Ewalt (BP) – Carnegie: Violations by Suzie Ewalt: Title 59 O.S. §858-312 Subsections 8 and 9 and Rule 605:10-17-4(12), by violating the broker agreement with the Veteran's Administration in that she failed to inform the Veteran's Administration that the purchaser no longer wanted the property, and she also failed to notify the Veteran's Administration of her intention to bid for or acquire the property concerned. The Respondent may have also conspired with Cynthia English to purchase the property from the Veteran's Administration by outbidding the Complainant, while having direct knowledge of the Complainant's bid. *Suzie Ewalt consented to an administrative fine of Two Thousand Dollars (\$2000.00), suspension of her real estate broker's license for six (6) months and attendance and completion of a three (3) hour continuing education course in Prohibited Acts.*

C-2005-084 – Back Home Realty LLC, Rebecca F. Martin (BM), Karen Elizabeth Lujan (SA) – Blanchard: Commission found Rebecca F. Martin violation of Title 59 O.S. §858-312, Subsections 8 and 9, in that she failed to deposit and hold \$500.00 in earnest money in her trust account in accordance with the terms and conditions of the real estate purchase contract. *The Commission ordered that Respondent Rebecca F. Martin pay an administrative fine of Five Hundred Dol-*

lars (\$500.00) and given a formal reprimand.

C-2005-103 – McGraw Davisson Stewart Incorporated, Joseph R. McGraw Jr. (BM), McGraw Davisson Stewart Incorporated (BO), Lou Ann Hoffman (BB) and John D. Sipes (SA) – Tulsa: Commission found Joseph R. McGraw Jr. in violation of Title 59 §858-312(8) and (9), and Rule 605:10-17-2(b), in that he failed to file a written response to a complaint within fifteen (15) days of the notice. *Joseph R. McGraw Jr. consented to an administrative fine of One Thousand Dollars (\$1000.00).*

C-2006-024 – Max Value Real Estate LLC, Michael Kent Glazner (BM) and Kelly Elizabeth Revis (BA) – Oklahoma City: Commission found Max Value Real Estate LLC and Michael Glazner in violation of Title 59 O.S. §858-312 Subsections 8 and 9 and Rule 605:10-17-4(11), in that they failed to ensure and verify that the Complainant's faxed offer was properly transmitted to the seller's Broker. *The Commission ordered Max Value Real Estate LLC and Michael K. Glazner to pay an administrative fine of Two Hundred Fifty Dollars (\$250.00) each, for a total of Five Hundred Dollars (\$500.00).*

C-2006-047 – The Alliance Real Estate Group Incorporated, Judith Davis (BM) and Russell L. Benson (SA) – Oklahoma City: Violations by Judith Davis: Title 59 O.S. §858-312(8) and Rule 605:10-17-4(9), in that Respondent Davis' acts were improper as she may have failed, upon demand in writing, to respond to a complaint in writing for inspection to a member of the Commission staff or any other lawful representative of the Commission as she failed to submit a written response to the complaint. *Judith Davis consented to paying an administrative fine of Five Hundred Dollars (\$500.00).*

C-2006-071 – John Hausam Incorporated, John Louis Hausam (BM), Lisa K. Mullins (SA) and Camille Dione Stottlemire (SA) – Tulsa: Violations by Lisa Mullins: Title 59 O.S. §858-312(8) and (23) and Rule 605:10-17-4(12), in that Respondent Mullins violated the

Residential Property Condition Disclosure Act, as she filled out the Residential Property Condition Disclosure Statement for the seller in violation of Section 833 (C) of the act. Violations by Camille Stottlemire: Title 59 O.S. §858-312(8) and (23) and Rule 605:10-17-4(12), in that Respondent Stottlemire violated the Residential Property Condition Disclosure Act, as she filled out the Residential Property Condition Disclosure Statement for the seller in violation of Section 833 (C) of the act. *Lisa Mullins and Camille Stottlemire each consented to an administrative fine of Two Hundred Dollars (\$200.00), for a total of Four Hundred Dollars (\$400.00).*

C-2006-097 – Global Realty Incorporated, Linda Schmidt (BM), Beverly A. Carter (BA), Fisher Provence Real Estate Incorporated, Grace Kelsey Provence (BM) and Page Provence (BA) – Stillwater: Violations by Linda Schmidt: Title 59 O.S. §858-312(8) and Rule 605:10-17-4(6), in that Respondent engaged in conduct which constitutes improper dealings by failing to properly supervise the activities of an associate, as she failed to ensure Respondent Beverly A. Carter had an updated Residential Property Condition Disclosure prior to it being given to Respondents Grace Provence and Page Provence. Violations by Beverly A. Carter: Title 59 O.S. §858-312(23) and Rule 605:10-17-4(12), in that Respondent violated the Residential Property Condition Disclosure Act, as she provided a disclosure statement to the buyer's representative that was completed by the seller more than 180 days prior to the complainants receiving it. Violations by Grace Provence: Title 59 O.S. §858-312(8) and Rule 605:10-17-4(6), in that Respondent engaged in conduct which constitutes improper dealings by failing to properly supervise the activities of an associate, as she failed to ensure Respondent Page Provence had an updated Residential Property Condition Disclosure prior to it being given to the complainants. Violations by Page Provence: Title 59 O.S. §858-312(23) and Rule 605:10-17-4(12), in that Respondent violated the Residential Property Condition Disclosure Act, as she provided a disclosure statement to the

buyer's representative that was completed by the seller more than 180 days prior to the complainants receiving it. *Global Realty Incorporated, Linda E. Schmidt and Beverly A. Carter consented to paying an administrative fine of Three Hundred Dollars (\$300.00) each, for a total of Nine Hundred Dollars (\$900.00); Respondents Fisher Provence Real Estate Incorporated, Grace K. Provence and Page Provence consented to paying an administrative fine of Three Hundred Dollars (\$300.00) each, for a total of Nine Hundred Dollars (\$900.00).*

C-2006-098 – Ideal Homes Development Company Incorporated, Gene McKown (BM) and Bryan Thomas Stambeck (SA) – Norman: Commission found Gene McKown and Bryan T. Stambeck in violation of Title 59 O.S. §858-312(3), in that Respondent Gene McKown may have failed to comply with the requirements of Sections 858-351 through 858-363 by failing to make a broker relationships disclosure; Title 59 O.S. §858-312(8) and Rule 605:10-17-4(6), in that Respondent Gene McKown may have engaged in conduct which constitutes untrustworthy, improper, fraudulent or dishonest dealings by failing to properly supervise the activities of an associate as he failed to ensure Respondent Bryan Stambeck made all broker relationship disclosures; Title 59 O.S. §858-312(3), in that Respondent Bryan Thomas Stambeck may have failed to comply with the requirements of Sections 858-351 through 858-363 by failing to make a broker relationships disclosure; Title 59 O.S. §858-312(4), in that Respondent Bryan Thomas Stambeck may have accepted a commission or other valuable consideration as a real estate associate for the performance of any acts as an associate, except from the real estate broker with whom the associate is associated as he was compensated on the closing statement through Sterling Property Management; and Title 59 O.S. §858-312(8) and Rule 605:10-9-4(c), in that Respondent Bryan Thomas Stambeck may have engaged in conduct which constitutes untrustworthy, improper, fraudulent or dishonest dealings by failing to disclose in writing on all documents that pertain

to the transaction that he is licensed when purchasing real estate. *Gene McKown consented to paying an administrative fine of Six Hundred Dollars (\$600.00) and completion of a three (3) hour continuing education course in Broker Relationships Act; Bryan Stambeck consented to paying an administrative fine of Nine Hundred Dollars (\$900.00) and completion of a three (3) hour continuing education course in Broker Relationships Act.*

C-2006-106 – Jacqueline L. Wulff (BA) – Checotah: Commission found that Jacqueline L. Wulff was in violation of Title 59 O.S. §858-312(8), and Rule 605:10-17-4(12), in that she may have engaged in conduct which constitutes untrustworthy, improper, fraudulent or dishonest dealings by engaging in conduct in a real estate transaction which demonstrates incompetency as she participated in the sale of real property without reducing the transaction to writing; and Title 59 O.S. §858-312(8) and Rule 605:10-9-4(c,1), in that she may have engaged in conduct which constitutes untrustworthy, improper, fraudulent or dishonest dealings by failing to disclose in writing on all documents that pertain to the transaction and in all advertisements that she was licensed as she failed to prepare any written documents regarding the transaction between herself and Billy Joe and Paula Hill. *Jacqueline Wulff consented to paying administrative fines totaling Eight Hundred Dollars (\$800.00), and completion of three (3) hours continuing education course in Prohibited Acts.*

C-2006-118 – Dominion Group LLC, Ruth Boss (B) and Ann Campbell (SA) – Edmond: Respondent Campbell entered into a plea agreement in which she pled guilty in Case Number CR-06-275 in the United States District Court for the Western District of Oklahoma. The allegations set forth, if proven, would constitute a violation of Title 59, O.S. §858-312(8), 858-312(15) and/or 858-312(19). *Ann Campbell consented to the revocation of her sales associate license and an administrative fine of Five Thousand Dollars (\$5,000.00).* ■

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2007 Legislation continued from page 8

**HB 1497 (Amends License Code and Rules)
Effective November 1, 2007**

The law amends Title 59, Section 858-301 as follows:

AMENDED Section 858-301. License required; Exceptions. Section 858-301. It shall be unlawful for any person to act as a real estate licensee, or to hold himself or herself out as such, unless the person shall have been licensed to do so under this Code. However, nothing in this section shall:

1. Prevent any person, partnership, *trust*, association or corporation, or the partners, officers or employees of any partnership, *trustees or beneficiaries of any trust*, association or corporation, from acquiring real estate for its own use, nor shall anything in this section prevent any person, partnership, *trust*, association or corporation, or the partners, officers or employees of any partnership, *trustees or beneficiaries of any trust*, association or corporation, as owner, lessor or lessee of real estate, from selling, renting, leasing, exchanging, or offering to sell, rent, lease or exchange, any real estate so owned or leased, or from performing any acts with respect to such real estate when such acts are performed in the regular course of, or as an incident to, the management, ownership or sales of such real estate and the investment therein;

*** All other language remained unchanged.

*To accomplish great things,
we must not only act, but
also dream. Not only plan,
but also believe.—Anatole
France*



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