

# NEWSLETTER

Spring 2014 Issue

John R. Kasich  
Governor of Ohio

Andre T. Porter  
Director of Commerce

Anne M. Petit  
Superintendent

## A Look Back and Looking Forward for the Ohio Division of Real Estate & Professional Licensing by Superintendent Anne Petit



Anne M. Petit

So, that old “chestnut” that always caused me to roll my eyes and laugh – you know the one about time going faster the older you get – is TRUE! 2013 basically evaporated before my eyes. As I write this, we are already two weeks into May 2014, and I’m left to contemplate a year full of changes, continued improvement, idea development and adaptation. I am proud of the work the Division completed in 2013 as we strived to make the experience for our customers – YOU – better and more efficient. We have experienced numerous changes already this year and I know there are more to come in 2014, but I believe that, in the end, they will be beneficial for us all.

Looking back, we streamlined our forms to make them more user-friendly; the Licensing Structure Task Force completed its initial mission and sent a full report of its findings to the Ohio Real Estate Commission; we crafted accommodations for military licensees and continue to do so in 2014; and appraiser assistants were required to register under a supervisor for the first time, just to name a few of the bigger changes!

As many of you saw, the market, and therefore the industry, saw a nice resurgence. Many of you were faced with the problem of there just not being enough inventory to satisfy your clients - that problem has now led to bidding wars and concern about how to handle contemporaneous offers in several markets. I think we all agree that it is a nice problem to have compared to where we were a few short years ago, however such situations present you as the licensee with new and potentially problematic issues. So, when approached by the Ohio Association of Realtors to help address the contemporaneous offer dilemma, we collaborated on new draft language to guide you successfully through the potential pitfalls.

So far this year, the Division is feeling the “growing pains” of a re-energized housing market in a very different way. We have processed the highest number of new broker and salesperson applications since 2007, with a total of 2823 new licensees in just those two areas last year! It appears that 2014 is holding to that pace: the first four months have yielded 1,082 new licensees. Even the number of cemeteries coming into compliance by registering is up significantly – 56 in just the past year to bring the number of registered cemeteries in Ohio to 3, 592. Taking steps to ensure our appraiser professionals are aware of upcoming federal requirements, including working to adopt regulations for Appraisal Management Companies, are also a top priority for us.

### *In this Issue....*

Superintendent Anne Petit.....	1-3
Name Reservation .....	3
10-Hour Post Licensure Course .....	3
Broker License Number .....	3
Ancillary Trustees .....	4
Student Loan Availability .....	4
Helpful Tips for Appraisers Licensees .....	5
Did You Know? Cemeteries .....	5
Ohio Development Services Agency Offers Incentive for Vacant Buildings .....	6
BEWARE: Seminars That Teach Unlicensed Real Estate Activity .....	6
RE Disciplinary Actions .....	7-8
Appraiser Disciplinary Actions.....	8
Service Awards .....	9
Contact Information.....	9

## A Look Back and Looking Forward...

by Superintendent Anne Petit con't



As most of you are aware, the Division launched a new website in late summer. There were definitely some bumps along the way, but we listened to your feedback and have been able to add some new features and tweak others that were not as user-friendly as anticipated. It will always be a work in progress due to new regulations that bring new forms, etc., but we believe we now have a very user-friendly and efficient website for everyone. If you have called the Division in the past month or so, you've also experienced a MUCH improved telephonic communication system. Our new Voice over Internet Protocol (VoIP) phone system not only sounds better, the calls you place are getting through AND you have the option of being directly connected to the section of the office you need. We appreciate the positive feedback received so far, but let us know if you have other thoughts on how we can continue to improve.

Finally, I want to provide you a rundown of important real estate business issues that have arisen recently...

- **Electronic signatures** – the Division DOES accept electronic signatures on forms. The key is to ensure that the certificate authenticating the e-signature accompany the paperwork submitted. Brokers, be aware that you still need to review applications and affix your signature.
- **Licensing Structure Task Force** – the Commission approved re-convening the task force to address the education components that will be needed under two of the recommendations: a broker-specific core continuing education course and an expansion of the 10-hour sales post-licensing course to 20 hours. This next phase will also more definitively establish the broker responsibilities to be spelled out in license law.
- **Broker Oversight** – The Commission continues to stress the importance of broker oversight and supervision of affiliated licensees. Several cases before the Commission recently revealed instances where a broker and one or more salespeople had no contact for weeks, sometimes months. The members wish to communicate that absentee brokers leave themselves open to myriad problems.
- **Renewal Applications** – Take care when answering the legal and ethical questions on your renewal form; if you've been notified that a complaint has been filed with the Division against you, you must answer "yes" to the question asking if you've ever been notified that you were under investigation by any public entity or professional or trade association. I have been issuing advisory letters to licensees who've answered "no" to this question but currently have, or have had, a case opened by the Division. Changes to the forms to further clarify this are in the works.
- **Unsupervised Entry to Listings** – Complaints against licensees for providing lockbox codes and/or keys to someone other than a licensee are appearing more and more frequently. Stop and think about all of the ways doing so can go wrong, even (or especially!) in a vacant property. Not only can property damage or theft occur, the safety of your client and/or other licensees, and even owners, may be compromised. The Commission wants you to know that engaging in this activity may cost you your license.
- **Cooperate with the Division** – As you've heard me say before, "Anyone can complain about anything". If you are notified that a complaint has been filed against your credential, help us help you. Investigations are not fun for anyone, they can take a long time, and they can be stressful for the parties involved. When documents or information is requested, please do your best to provide it in a timely manner or explain why you're unable to do so. The investigator wants to get your side, too; we can't do a thorough and fair investigation without it! Being less than cooperative with a Division investigation is yet another way to put your license in jeopardy. This particular issue applies to salespersons, brokers, appraisers and registered cemeteries!

That's a lot of information in a fairly brief overview; look inside this quarter's edition for more useful information to guide your day-to-day business. If you don't see a topic (or haven't recently) that you would like us to address, a question you'd like for us to use as an FAQ, or a subject matter expert you'd enjoy having a guest column from, please let us know. Just send us an email at [web.real@com.ohio.gov](mailto:web.real@com.ohio.gov). The staff and I wish you a great, productive summer!

## Division News and Reminders

### Name Reservation

We get a lot of inquiries on the procedure for a brokerage name reservation, but usually after the name has already been filed with the Secretary of State. The congratulatory letter that is sent to brokers after they pass the broker exam outlines very clearly the procedure for “activating a license as a sole proprietor with a DBA” or “activate a license with a company that you started”.

The very first step is to complete a NAME RESERVATION form, available on our website at [www.com.ohio.gov/real](http://www.com.ohio.gov/real) and submit to the Division for the Superintendent’s approval. This costs only \$10 per name reservation in order to reserve that name with the Division for 60 days. The name you choose must be distinguishable from the name of an existing partnership, association, LLC, limited liability partnership, or corporation licensed by the Division of Real Estate. The Superintendent has the right to deny your reservation if she thinks it could be “misleading to the public” or we already have a company with that name. Keep in mind that the word “Realty” and “Real Estate” are interchangeable, so a name that includes one of those words is one in the same to the Division. Please keep in mind we do not license franchises. If you are affiliated with a franchise, that will not be recognized on your license.

Once a decision is made by the Superintendent, a notification letter indicating the name was approved or denied is mailed. Once a name is approved by the Superintendent of the Division of Real Estate you can proceed to register that name with the Ohio Secretary of State’s office.

### 10 Hour Post Licensure Course

Just a reminder for newly licensed Real Estate salespersons and brokers: “completion of ten hours of classroom instruction that shall be completed in schools, seminars and educational institutions approved by the Commission” is due no later than 12 months after the date of issue of a real estate license.

Don’t wait too long to sign up for the 10 hour post after your license has been issued. These are limited offerings and sometimes are not easy to find at the last minute since they cannot be taken online.

If you fail to submit the 10 hour post certification within 12 months, your license will be suspended. If you are a broker, your salespeople will all be suspended as well. When you pass the broker exam, you have 30 days to activate your broker license. If you activate your broker license 20 days after you pass the exam, the 10 hour post will be due one year from that date. Otherwise, the date you passed the exam will start the 12 month requirement.

### Broker License Number

Currently, each licensee is assigned a distinct salesperson number with the prefix “SAL”. When a salesperson becomes a broker, a distinct broker license number is assigned with the prefix “BRK”. In an effort to eliminate the assignment of a new, distinct license number for our new brokers, the Division has adopted and is implementing a system that allows a broker to retain the salesperson license number. This means that the new broker license number will be the salesperson license number and only the prefix will change from “SAL” to “BRK”. Remember that, if you are a broker, it is imperative that you use the “BRK” prefix whenever you identify your license number. This change will be automatic for new brokers. However, if you are a current broker and you wish to retain or return to your salesperson license number, please contact the division and our Licensing Department will assist you. It’s as easy as a phone call or email! Contact us at: 614-466-4100 or [web.real@com.ohio.gov](mailto:web.real@com.ohio.gov).

## Ancillary Trustees

The division receives many questions about ancillary trustees. What are they? When do I need one? How is one appointed?

An ancillary trustee should be appointed when a licensed broker passes away, is revoked or suspended IF that broker is either a sole proprietor or the only broker of a licensed real estate company. The ancillary trustee is appointed to conclude the business of the deceased, revoked or suspended broker.

To appoint an ancillary trustee, a written request must be sent to the Superintendent. The form is available on the Division's website at:

[http://www.com.ohio.gov/documents/real\\_COM3694AncillaryTrusteeAppointmentApplication.pdf](http://www.com.ohio.gov/documents/real_COM3694AncillaryTrusteeAppointmentApplication.pdf).

The trustee should be knowledgeable in real estate and the business of the broker. However, the trustee does not necessarily need to hold a real estate license.

After the application is filed with the Division, the Superintendent typically makes a decision within 3-5 days. In the case of a deceased broker, the Superintendent's recommendation is sent to the Probate Court for final approval. It is important to know that an ancillary trustee is only authorized to conclude the business transactions of the broker; they are not authorized to initiate new business. Typical duties of the trustee include withdrawing all advertising, supervising agreements already negotiated and set for closing, maintaining all record in accordance with R.C. 4735.18(A)(24), and immediately returning all licenses to the Division.

Upon concluding the business transactions, the trustee must prepare a report to the Superintendent stating that all matters are concluded and then withdrawing as trustee.

For more information about ancillary trustees you may call the Division's enforcement section at 614-466-4100.

### **Reminder: Student Loan Applications**

To ensure that we can process your student loan application in a timely manner, please remember to:

- 1) Enclose your tax forms;
- 2) Have the application notarized; and,
- 3) Complete the entire application.

Our application link is:

[http://www.com.ohio.gov/documents/real\\_StudentLoanApplication.pdf](http://www.com.ohio.gov/documents/real_StudentLoanApplication.pdf)

## For Your Information

### Helpful Tips for Appraiser Licensees

When the time comes to renew your appraiser credential, remember to submit your renewal in a timely manner. Our normal processing time for renewals is three to five business days from when the renewal reaches our licensing section. Your appraiser credential becomes inactive if not renewed by the expiration date. Renewals can be sent in as early as 120 days prior to the renewal date, so be sure to allow enough time for your renewal to be processed to avoid your license expiring, or else you will temporarily be without your appraiser credential!

When submitting continuing education with your appraiser renewal, be sure the provider has approved the course with the Division or else you will be assessed a \$25 non-approved course fee. There have been a number of cases where education providers mistakenly issued education certificates with an approval number on it, even though the specific course location and date had not been submitted to us for approval. To ensure your continuing education course has been approved and avoid the \$25 fee, use the “Continuing Education Course Lookup” tool on our website at: <https://elicense3-secure.com.ohio.gov/>

Once an appraiser renewal has been processed, many appraisers want to know how often we report appraiser credential information to the Appraisal Subcommittee (ASC). The ASC requires states to submit appraiser license data on a monthly basis. However, for the benefit of our credential holders, the Division’s licensing section submits appraiser licensing data to the ASC on a weekly basis. Once we send our weekly update to the ASC the information usually appears on the ASC registry within the same day they receive our report. The Division’s licensing database, which is accessible through our website, updates immediately once your renewal is processed.

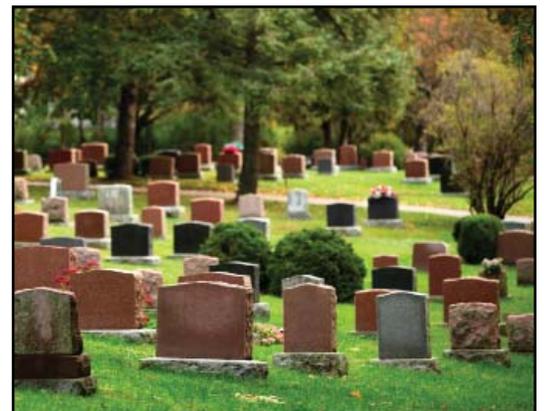
For registered real estate appraiser assistants who will apply to become a licensed or certified appraiser, keep in mind the number of months required for experience credit with each credential:

- Licensed Residential real estate appraisers: 2,000 hours in no less than 24 months
- Certified Residential real estate appraisers: 2,500 hours in no less than 24 months
- Certified General real estate appraisers: 3,000 hours in no less than 30 months

Your application must contain the appropriate number of experience hours obtained in no less than the minimum number of months as listed above.

### Did You Know? Cemeteries...

The Registration and Resolution Section of the Ohio Division of Real Estate and Professional Licensing (Division), is tasked with registering Ohio’s cemeteries. According to R.C. 4767.02(A), no person, church, religious society, established fraternal organization or political subdivision of the state shall own, operate or maintain a cemetery unless the cemetery is registered with the Division. The only two exceptions to the registration requirement are for cemeteries in which there has not been a burial in the previous 25 years and for family cemeteries. A family cemetery is defined as a cemetery “...containing the human remains of persons at least three fourths of whom have a common ancestor or who are the spouse or adopted child of that common ancestor.” The Division currently has 3,578 registered cemeteries.



The Registration and Resolution Section also supports the Ohio Cemetery Dispute Resolution Commission in resolving disputes or complaints involving its registered cemeteries. The nine members of the Commission are made up of seven cemetery operators representing three types of cemeteries and two members who are representatives of the public. In addition to resolving complaints, the Commission adopts and publishes suggested maintenance guidelines for all cemeteries registered in the state of Ohio.

## Ohio Development Services Agency Offers Incentive for Vacant Buildings

Ohio businesses setting up shop in vacant buildings may be eligible for a financial incentive for each new full-time job created. The Ohio Vacant Facilities Fund, administered by the Ohio Development Services Agency, offers Ohio businesses \$500 for each new, full-time employee employed at the facility for at least one year.

This \$2 million fund encourages Ohio businesses to occupy vacant facilities, building stronger communities and supporting small businesses as they work to create jobs. With 10 projects underway and more than 300 new jobs created, this incentive is already making a big impact across Ohio.

The funding can in turn be used for a number of uses including acquisition, construction, enlargement, improvement or equipment. To qualify, a for-profit business must occupy the facility for at least 12 months. Additionally, the building must be at least 75 percent vacant for at least a year at the time of move-in. The business must employ at least 50 employees or house half of its Ohio employees at the facility. The funding process is on an open cycle and the money is authorized through August of 2015.

To learn more about the program overview, requirements and policies please visit:

[http://development.ohio.gov/cs/cs\\_ovff.htm](http://development.ohio.gov/cs/cs_ovff.htm)

Feel free to contact Adam Burns with Office of Energy and Redevelopment with any questions at (614) 466-8463.

## Stay Informed

### BEWARE: Seminars That Teach Unlicensed Real Estate Activity

The Division's Enforcement section wants all licensees and the general public to be aware of individuals, groups, training seminars, coaching programs or otherwise, which may be providing instructions on how to circumvent real estate license law. (Please see R.C. 4735.01 for a list of activities which require licensure.)

Beware of seminars that provide instructions on wholesaling and option purchase contracts. Language included in these schemes include: "tying up the real property," putting the house in contract until a buyer is found, and placing the home in contract for the purpose of re-selling the property. Despite what is being taught at these seminars, a real estate license is required to engage in these activities.

The seminar instructors advise attendees that they can place a property in contract or an option to purchase, at which time the attendee can then market and re-sell the property for a profit. The instructors also advise attendees how to bring buyers and sellers together through the use of an "assignable contract" for a fee. It is the position of the Division that, pursuant to Ohio law, the aforementioned activities are those for which an Ohio real estate license is required. However, licensure requirements or the potential requirement for a license is not conveyed to attendees of these seminars, presentations or coaching programs.

Pursuant to R.C. 4735.052, the Ohio Real Estate Commission may impose a civil penalty up to \$1,000.00 a day for unlicensed activity. Each day a violation occurs or continues is a separate violation. For example, under most circumstances, if an individual is involved in unlicensed activity for one month, a civil penalty of \$30,000 may be issued.

You may ask, "I'm a licensed real estate broker (or salesperson), why are you telling me this?" R.C. 4735.18(A) (34) provides that discipline may be imposed on a licensed real estate broker or salesperson for authorizing or permitting a person to act as an agent in the capacity of a broker or salesperson who was not then licensed as a real estate broker or salesperson. Steer clear of any individual, group, organization or otherwise that is promoting unlicensed activity such as what is mentioned above. Be very careful you are not working with a person engaging in unlicensed activity, and if you witness this activity, feel free to notify the Division.

## Real Estate Disciplinary Actions

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Listed below are the Real Estate Disciplinary Actions for February 2013 to March 2014. Details of each action can be found on the website at: <http://www.com.ohio.gov/documents/Spring14REDiscipline.pdf>

### **REVOICATIONS/PERMANENT SURRENDER/RESIGNATIONS**

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Michael J.A. Boyd, II	Salesperson	Lancaster
Ronald Byrd	Broker	Dayton
Jeffrey A. Corry	Salesperson	Lewis Center
Gene Johnson	Broker	Reynoldsburg
Chad Michael Karnes	Salesperson	Reynoldsburg
Mary Murphy	Salesperson	Blacklick
William Snyder	Salesperson	Parma

### **SUSPENSIONS, FINES, EDUCATION and REPRIMANDS**

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Betty Belding	Salesperson	Columbiana
Robert Bickis, Sr.	Broker	Pickerington
Donna Boutaleb	Broker	Delaware
S. Bret Brunner	Salesperson	Westerville
Linda Burns	Broker	Uniontown
Scott Cannatelli	Salesperson	West Chester
Michael Casey	Salesperson	Gahanna
Thomas J. Diamond	Broker	Cleveland
Daniel Disalle	Broker	Maumee
Janet Dunn-Kovachic	Salesperson	Cleveland
Dennis Eberhart	Broker	Cleveland
Patricia Gallagher	Broker	Columbiana
Robert Gladys	Salesperson	Middleburg Heights
Daniel M. Glenn	Salesperson	Worthington
James Guthery	Salesperson	Dayton
Tracey Hartson	Salesperson	Reynoldsburg
Carrie H. Igel	Salesperson	Columbus
David S. Ingalls	Broker	Columbus
Kimberly Johnson	Broker	Solon
Roxanne Karnes	Salesperson	Reynoldsburg
David Mathue King	Broker	Wellington
Dennis Klein	Salesperson	Cleveland
Eric Knox, Sr.	Salesperson	Akron
Cathy Martin	Salesperson	Centerville
Meg Michel	Broker	Marysville
Christopher L. Reed	Salesperson	Columbus
Tekeah Reese	Salesperson	Columbus
Vivian Ridley	Broker	Euclid
Holly Ritchie	Salesperson	Salem
Gregory Robinson	Salesperson	Cleveland
Laney Ross	Broker	St. Clairsville

continued on page 8

## Real Estate Disciplinary Actions continued...

Jeffrey Ruff	Salesperson	Columbus
Ron Schaible	Salesperson	Cincinnati
Edward Von Hofen	Salesperson	Amherst
Marilyn Vutech	Salesperson	Columbus
Matthew L. Young	Salesperson	Middleburg Heights

### Unlicensed Activity

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Chad Fields	Delaware
GOA Realty, LLC	Cleveland
Our Wives Are In Charge, LLC	Akron
Paul Marcel-Rene	Akron
Delthia Gail Sparks	Cleveland

## Appraiser Disciplinary Actions

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Listed below are the Appraiser Disciplinary Actions for February 2013 to February 2014. Details of each action can be found on the website at: <http://com.ohio.gov/documents/Spring14AppraiserDiscipline.pdf>

### REVOCATIONS/PERMANENT SURRENDERS

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Curtis Yount	Licensed Residential Appraiser	New Madison
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### SUSPENSIONS, FINES, ADDITIONAL EDUCATION AND REPRIMANDS

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Charles Billington	Certified Residential Appraiser	Clinton
Latrece Brown	Certified Residential Appraiser	Warrensville Heights
Terry Bryant	Licensed Residential Appraiser	Hamilton
Roy Cederlund	Licensed Residential Appraiser	Geneva
Robert Cenci	Licensed Residential Appraiser	Chillicothe
David Dunnington	Licensed Residential Appraiser	Lancaster
Jon Fleegle	Certified General Appraiser	Findlay
Laura George	Certified Residential Appraiser	Rocky River
Edward Kocin	Certified Residential Appraiser	Gates Mills
Bart Nuber	Certified Residential Appraiser	Streetsboro
Mark Perks	Licensed Residential Appraiser	Upper Arlington
Laura Jean Pickup	Certified Residential Appraiser	Okeana
Jennifer Rose	Certified Residential Appraiser	Delaware
Gregory Shehee	Licensed Residential Appraiser	Westerville
John Simoudis	Certified Residential Appraiser	Warren
Scott Stout	Certified General Appraiser	Dayton
Matthew Van Druten	Certified Residential Appraiser	Columbus
Emily Weaver	Certified Residential Appraiser	Dayton
Bill Wyskiver	Licensed Residential Appraiser	Lancaster



Congratulations to our division employees who recently received their service pins during the Public Employees Service Recognition Week ceremony!

Quiana Taylor - 5 years  
Brenda Bryant - 10 years  
Kathy Clark - 15 years  
Magaly Lopez - 15 years  
Jodi Phillips - 15 years

From left to right: Quiana Taylor, Supt. Anne Petit, Magaly Lopez, Kathy Clark, Jodi Phillips and Commerce Director Andre T. Porter. Absent: Brenda Bryant

**Come visit us at the Ohio State Fair July 23-August 3, 2014!**

**We'll be in the Ohio Department of Commerce booth in the Marketplace Building.**



## Department of Commerce

Division of Real Estate & Professional Licensing

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Department of Commerce  
Division of Real Estate and Professional Licensing  
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**Commission Members**  
Gary Froelich, President  
Diane Carnes  
R.S. Tré Giller III  
David C. Paul  
Ann Thompson

**Appraiser Board Members**  
Don Leto, Chair  
Richard Hoffman  
John D. McIntyre  
Elizabeth Sigg  
Vacant

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