



REAL ESTATE BULLETIN

Volume 41 • May 2010 • Number 1

May 15 to June 30



Reminder to QB's, BIC's Renew Licenses Of Firm and Brokers

Are you a qualifying broker and/or broker-in-charge? Just a few minutes on the Commission's Web site, www.ncrec.gov, will save you many hours of catch-up and correction and spare you a significant negative impact on your business during this license renewal period.

Qualifying brokers are responsible for the firm's license along with their own. Brokers-in-charge must see that all agents associated with the firm have renewed between May 15 and June 30 and have completed their CE by June 10.

(See **Reminder**, page 4)

Rule Changes Effective July 1

Following are changes in Commission rules that become effective July 1, 2010:

- Amend question #15 on the Residential Property Disclosure Form for home sellers to disclose whether their properties are affected by commercial, industrial, or military noise, odor, smoke, etc.;

(See **Rules**, page 3)

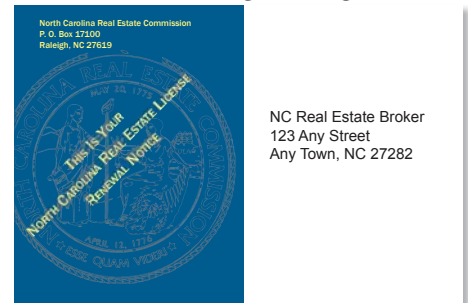
It's Time to Renew Your License! For Fastest Service, Renew Online

Get ready! Get set! Renew! It's time once again to renew your real estate license. To help you do so quickly and conveniently, the Commission's Web site, www.ncrec.gov, will be available for online renewing starting May 15.

The annual fee for the 2010-11 license remains at \$40, one of the lowest in the nation, and is payable using MasterCard, Visa or Discover Card.

To renew online, log in at the Web site and go to Renew/Reinstate and enter your license number and PIN (personal identification number). Unless changed, your PIN will be the last four digits of your Social Security number, which you should have already provided the Commission.

Once your renewal is accepted, you will receive a confirmation to print and retain for your records. While online,



NC Real Estate Broker
123 Any Street
Any Town, NC 27282

Renewal reminder is in the mail! update your email, fax and residence addresses, if needed.

The deadline for renewal is midnight, June 30 (EDT). If you renew by (See **Renew**, page 4)

Real Estate Commission Names Miriam Baer Executive Director

The Real Estate Commission has named Miriam J. Baer as Executive Director, it was announced by Commission Chairman Marsha H. Jordan.

Baer assumed the position April 1 following a five-month national search.



She succeeded Phillip T. Fisher, who retired after more than 34 years' service with the Commission.

A native of Lawrence, Kansas, Baer was graduated Summa Cum Laude from the University of Kansas. After receiving her J.D. degree from the University of North Carolina School of Law in 1984, she entered private practice with a Raleigh law firm.

Baer joined the Commission in 1987, as its first Examination Coordinator. Most recently, she held the po-

sition of Legal Counsel and Assistant Director of the Legal Services Division.

A long-time instructor in Meredith College's Paralegal Program, she authored the textbook, "Legal Research in North Carolina."

Baer is a member of the Real Property Section Council of the North Carolina Bar Association and is currently chair of the Bar Association/North Carolina Association of REALTORS® Joint Forms Committee.

Baer is excited about assuming a new role for the Real Estate Commission overseeing the licensing and regulation of more than 100,000 real estate brokers and firms in North Carolina. □

Employment Opportunity! See Page 8.



To request a speaker from the Commission, please submit the "Request for Program Presenter" form available on the Commission's Web site, www.ncrec.gov.

People

Janet B. Thoren has assumed the position of Assistant Director, Legal Counsel, Legal Services Division. She was formerly Chief Deputy Legal Counsel,

Charlene D. Moody has assumed the position of Chief Deputy Legal Counsel, Legal Services Division. She was formerly Deputy Legal Counsel.

Appearances

Thomas R. Miller, Legal Counsel and Director of Legal Services, spoke at the Vacation Rental Managers Association's Annual Conference

Gary R. Caddell, Chief Auditor/Investigator, spoke to the North Carolina Association of REALTORS' Property Management Division on foreclosure and property management issues.

Jean Wolinski-Hobbs, Information Officer, spoke to the Union County Association of REALTORS'.



Awards Presented for 60 Years of Service

Five members of the Commission staff received awards for a collective 60 years of service. Commission Chairman Marsha H. Jordan (left), and Vice Chairman Benjamin Cone III (right), presided as awards were presented to (l. to r.) Wendy C. Harper, Administrative Officer, 20 years' service; Pamela M. Vesper, Auditor/Investigator; William F. Dowd, Senior Auditor/Investigator; Patricia A. Moylan, Legal Education Officer; and Peggy Y. Chow, Accounting Technician, all with 10 years' service.



June 9
 July 14
 Wilmington
 August 11
 September 8
 October 13

All meetings, unless otherwise noted, begin at 9 a.m. and are held in Raleigh in the Commission's Conference Room at 1313 Navaho Drive (27609). Occasionally, circumstances necessitate changes in meeting times and locations.

Rules

Continued from page 1

- Allow postponement and completion of continuing education, Broker-in-Charge, and postlicensing courses, and the payment of license renewal fees for brokers and renewal of licensure/approval for brokers and instructors who are members of the United States armed forces serving in combat or in presiden-

tially-declared disaster areas; and

- Clarify when and under what circumstances students in the Broker-in-Charge Course and in all continuing education courses may be absent during the scheduled classroom hours and still receive continuing education credit for attending the course. □



COURSE SCHEDULES

This schedule provides locations, dates, and times for the courses indicated through December, 2010.

Register online at the Commission's Web site, www.ncrec.gov.

Broker-in-Charge Course

Two-days. Day one, 1-5 p.m.; Day two, 8:30-5:30 p.m.

Asheville	August 17, 18 November 30, December 1	Holiday Inn East/Blue Ridge Parkway
Banner Elk	October 13, 14	Best Western Mountain Lodge
Charlotte	July 20, 21 August 24, 25 October 5, 6 November 22, 23	Hilton Charlotte Executive Park
Greensboro	September 14, 15 December 14, 15	Clarion Hotel
Kill Devil Hills	September 22, 23	Ramada Plaza Resort
Raleigh	July 7, 8 August 3, 4 September 28, 29 November 3, 4 December 8, 9	McKimmon Conference Center
Wilmington	July 14, 15 October 26, 27	Coastline Convention Center

Basic Trust Account Procedures Course

Raleigh	August 10 1 - 5 p.m. December 9 1 - 5 p.m.	McKimmon Conference Center
Wilmington	October 27 9 a.m. - 1 p.m.	Coastline Convention Center

Confirm dates and times at the Commission Web site.

To Do Business in NC, Real Estate Firms Must Comply with Certain State Laws

To do business legally in North Carolina, real estate firms (corporations, limited liability partnerships and limited liability companies) must remain current, active, and in good standing with the North Carolina Secretary of State and the Department of Revenue.

Firms may verify their compliance by visiting the North Carolina Secretary of State's Web site, www.secretary.state.nc.us/corporations, and searching their firm name. The site will note whether the firm is "Current-Active", whether

Reminder

(Continued from page 1)

Your failure as a qualifying broker to renew your own license or timely complete CE will result in your firm's license being placed on inactive status. Because an inactive firm cannot have agents associated with it, all agents' records will be changed to reflect their home addresses and no firm affiliation. All provisional brokers will be placed on inactive status.

Brokers-in-charge can easily and quickly ascertain the status of each associated agent through the "BIC Only" tab on the Commission Web site. Log in with your license number and PIN (the last four digits of your Social Security number) to view and print the following:

- Your personal information.
- All licensees shown in the Commission's records as being affiliated with you or under your supervision.
- The "level" of their licenses - "PB" (Provisional Broker), or "B" (Broker).
- The renewal date of each license; and
- Licensees' continuing education and postlicensing credits.

As a broker-in-charge, you want to avoid having a supervised agent conducting real estate brokerage with an expired or inactive license, as it may result in your being subject to possible disciplinary action. □

there is a problem that needs to be addressed (e.g., "On Notice"), or if the firm has been suspended, cancelled or dissolved.

The Commission has instituted an ongoing audit of real estate firms to verify compliance and to assist those that have not fully met the state's requirements.

If firms do not satisfy requirements to remain in good standing yet continue to act as real estate brokers, they may face disciplinary action by the Real Estate Commission.

Further, if a firm does not regain good standing within a reasonable period of time, its real estate license will be cancelled.

When license cancellation occurs, the following changes to licensee records and status are made:

- (1) Brokers-in-charge lose their designation as brokers-in-charge (but not their eligibility to be re-designated);
- (2) The licenses of provisional brokers with the firm are placed on inactive status; and
- (3) The addresses of record of all brokers and provisional brokers affiliated with the firm are changed to their residence addresses.

If a company later satisfies the requirements of the Secretary of State and the Department of Revenue to do business in North Carolina, its qualifying broker must then file an application and pay a \$55 fee to the Real Estate Commission to reinstate its real estate firm license and must designate a broker-in-charge for each office.

Each broker-in-charge must then complete and file forms for each broker and provisional broker who wishes to re-affiliate with the company.

These procedures can be both time-consuming and costly. Thus, be sure to keep your firm in compliance by timely filing annual reports with and paying fees due to the Secretary of State and Department of Revenue every year. □

Renew

(Continued from page 1)

mail, your renewal must be *received* by the Commission on or before that date.

If you miss the deadline, your license will expire effective July 1 and you must pay a \$55 fee to reinstate it prior to December 31. After that date a new application, background report, and fee are required. You may also be required to complete additional education or pass the examination at the time of reinstatement.

It's a good idea while on the Commission Web site to check your continuing education and postlicensing credit information to be certain they are correct.

Allow 15 days for any CE credits to be reflected. The CE credits displayed on the label of this *Real Estate Bulletin* are those posted about two to three weeks prior to its arrival. Those posted on the Web site will be more current.

Is your continuing education complete? You need eight hours, four of which are the mandatory, annual *Update Course*.

If your CE is not complete, you have until June 10 to make the deadline. No CE classes are given from June 11 through June 30. Incomplete CE results in a change in your "active" license status to "inactive" on July 1. □

2010-11 Update Course Covers Changes To HUD Form, Offer to Purchase Contract

Changes to two of the most commonly used forms in residential real estate will be described and discussed in the 2010-11 *Update Course*.

The HUD-1 Settlement Statement and accompanying Good Faith Estimate “GFE” form were altered effective January 1, 2010 by the U.S. Department of Housing and Urban Development under authority granted by the Real Estate Settlement Procedures Act (RESPA).

The Offer to Purchase and Contract form used in residential transactions has been revised by the North Carolina Association of REALTORS® and North Carolina Bar Association effective January 1, 2011.

Both forms will be explained, as well

as a broker’s obligations as to each. Specific fact situations will be provided to illustrate how to apply the provisions of each new contract form.

The *Update Course* will also briefly cover any changes in the Real Estate License Law and Commission rules, plus a safety tip. □

The *Real Estate Bulletin* provided an overview of the changes to the HUD forms and settlement procedures in the January 2010 issue. Additional information along with the new forms can be found at www.hud.gov/respa. □

Complaint Process, Trust Accounts, Topics in 2010-11 BICAR Course

Commission procedures for handling letters of inquiry/complaints, common mistakes in trust account management, and miscellaneous situations that can lead to sanctions will be covered in the 2010-2011 *Broker-in-Charge Annual Review* (BICAR) course.

Examples of actual cases will be presented involving licensee failure to respond to Commission inquiries, Commission audit procedures including a broker’s duty to make records available will be outlined, and criminal conviction and disciplinary action reporting requirements also will be discussed.

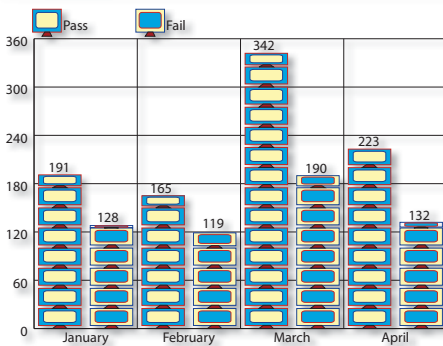
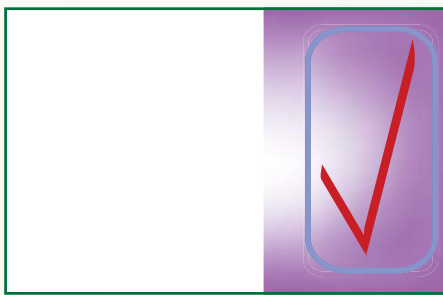
An overview of basic trust account requirements will include a review of the rules pertaining to trust account maintenance and recordkeeping, as well as such common mistakes as failure to supervise the person keeping records

and to perform monthly reconciliations. BICs who are confused about the record keeping or reconciliation process should consider attending the Basic Trust Account Course.

Miscellaneous fact situations drawn from actual disciplinary cases will be presented, followed by questions to stimulate discussion as to what violations may have occurred and how they may have been avoided.

Finally, there will be a brief review of BIC qualification requirements, broker-in-charge eligibility, and how to regain eligibility once lost.

All BICs and former BICs who wish to retain BIC-eligibility must take the BICAR course as their elective each year, beginning the first full license period following initial designation and each license period thereafter. □



Educators Receive Updates, Discuss Teaching Techniques at Conference

By Pamela R. Rorie, Continuing Education Officer

An enthusiastic crowd of real estate instructors, school officials and publisher representatives attended the 2010 Real Estate Educators Conference held in Raleigh on March 22-



Deborah Carpenter is the recipient of the 2010 Billie J. Mercer Excellence in Education Award from Real Estate Commission Chairman Marsha H. Jordan.

23, 2010. The Commission-sponsored meeting drew 214 participants from across the state for this year's event.

Lisa McQuillen, Education and Licensing Officer, kicked off the conference with an explanation of proposed rule revisions impacting the prelicensing and postlicensing programs. She also recognized prelicensing schools and instructors whose students had exhibited outstanding performance on their license examinations.

Anita Burt, Education and Examination Officer, followed with an update on the new prelicensing end-of-course examinations recently developed by the Commission and made available to schools. She also explained the Commission's decision to utilize a special closing statement worksheet rather than the recently revised HUD-1 form on the license examination, *Contracts and Closing* course examination and new prelicensing course examinations.

Additional "update" sessions filled

the remainder of the first morning's program.

Director of Education and Licensing Larry Outlaw, discussed various issues concerning the *North Carolina Real Es-*



Elizabeth "Betsy" Whitcraft receives the NCREEA Program of the Year Award from Immediate Past President John Carroll.

tate Manual and upcoming revisions to the postlicensing course syllabi. Pamela Rorie, Continuing Education Officer,

discussed proposed rule amendments impacting the continuing education program and other information of particular interest to continuing education sponsors and instructors.

During the luncheon, the North Carolina Real Estate Educators Association (NCREEA) held its spring meeting officiated by President Tim Terry. The traditional awards presentation was conducted by Immediate Past President John Carroll.

The Association presented its "Program of the Year" award to **Elizabeth Whitcraft** for her continuing education elective course, *Resort Property Management: Short Term Vacation Rentals*, and its "Educator of the Year" award to **Deborah Carpenter**, DREI, of the J. Y. Monk Real Estate Training Center. **Gary Taylor**, long-time director/instructor with the Mingle School of Real Estate, was presented the "Emeritus" award in recognition of his many years of service to real estate education in North Carolina, including two terms as NCREEA President.

Also during the luncheon, Commission Chairman Marsha H. Jordan presented the Commission's Billie J. Mercer Excellence in Education Award to NCREEA's Educator of the Year **Deborah Carpenter**. This award is presented



Phillip Fisher, retiring Executive Director of the Real Estate Commission, (left), with wife, Sandy, was the subject of a roast and presentation from the North Carolina Real Estate Educators Association by educators Sandy Williams, (NCREEA Secretary-Treasurer) and Bill Gallagher, (NCREEA Past President).



Gary Taylor (center), with wife, Ethel, receives the North Carolina Real Estate Educators Association Emeritus Award from John Carroll, NCREEA Immediate Past President.

annually in memory of former Commission member and chairperson, Billie Mercer, who was especially dedicated to the cause of real estate education. The name of each year's award winner is engraved on the Mercer Award cup that is displayed in the Commission's lobby. Other Commission members in attendance for the presentation were Buddy Rudd, Alice Mosteller and Vic Knight.

The finale of the NCREEA Awards presentation featured instructor Bill Gallagher who recognized outgoing Real Estate Commission Executive Director Phillip T. Fisher for his 34 years of service to the Commission and his enthusiastic promotion of quality real estate education.

Following the luncheon, Cynthia DuRant, Housing Program Specialist with the U. S. Department of HUD, discussed RESPA reforms and the new Good Faith Estimate (GFE) form. A review of the revised HUD-1 form was conducted by local attorney Katherine Wilkerson.

The first day concluded with presentations by Bill Trull, Bill Gallagher, Chris Barnette and Sue Wehner. These veteran instructors shared suggestions and techniques for conducting CMA and square footage exercises in the *Broker Relationships and Responsibilities* postlicensing course.

To begin the second day, instructors Matt Davies and Vicki Ferneyhough discussed teaching techniques which may be used in teaching the "Introduction to Commercial Real Estate" and "Residential Property Management" subject areas in the *Selected Topics* course. George Bell then gave a presentation on the major changes planned for the Offer to Purchase and Contract form that is jointly approved by the North Carolina

Association of REALTORS® and the North Carolina Bar Association. Several members of the Joint Forms Committee were also present and assisted with the presentation.

The conference concluded with the popular "Legal Update and Open Forum" featuring Commission Legal Counsel Tom Miller and Information Officer Jean Hobbs, who answered questions from conference participants.

The Commission thanks North Carolina's real estate educators for their continued support and congratulates Deborah Carpenter, Elizabeth Whitcraft and Gary Taylor for their achievements. □



Attendance from across the state totaled 214 at the annual North Carolina Real Estate Educators Conference in March in Raleigh. Presentations ranged from updates to new teaching techniques.

All About BIC Eligibility Rules

In January 2008 the Commission instituted the concept of "broker-in-charge eligibility." Once a broker satisfies the initial requirements to qualify as a broker-in-charge, i.e., experience and completion of the 12-hour Broker-in-Charge Course, the broker will become BIC eligible.

A BIC could resign as a BIC, become an associated broker with a firm, and later declare as a BIC again and not be required to take any special BIC education prior to or within 120 days after redesignation, *so long as there has been no lapse in BIC eligibility.*

A broker maintains BIC eligibility by timely renewing his/her broker license each year and completing both the mandatory *Update Course* and the *Broker-in-Charge Annual Review* course (BICAR) by June 10 every year, thereby satisfying the yearly requirement of eight hours of continuing education.

Eligibility is lost if the broker fails to take both the *Update* and BICAR courses, or if the broker's license becomes inactive for any reason or expires or is suspended, revoked or surrendered. License status may be affected by disciplinary action, failure to renew on

time or to satisfy the annual continuing education requirement, or by an individual choosing to place the license on inactive status.

Eligibility is regained by taking the following steps *in the order stated*:

1) Do whatever is necessary to return the license to active status, i.e., pay the reinstatement fee and/or cure any CE deficiency;

2) Submit a properly completed Broker-in-Charge Declaration form to the Commission (assuming the broker meets the experience prerequisite, i.e., two years full-time brokerage experience within the preceding five years). Within three to five days the broker should receive a notice confirming redesignation and informing the broker

whether the 12-hour Broker-in-Charge Course or the four-hour BICAR course is required; and

3) Complete the specified BIC education within 120 days of redesignation.

Brokers who have lost BIC eligibility and are seeking to be redesignated as a BIC should *not* take any special BIC education until their licenses are on active status *and* they have received confirmation of redesignation from the Commission following submission of the BIC Declaration form.

A broker who fails to complete the required special BIC education within 120 days will be removed as a BIC by the Commission and will not be able to be redesignated as a BIC until the 12-hour BIC Course is first completed, even if previously taken within the preceding three years. □



Free Publications

Quantity

Questions and Answers on:

- Fair Housing _____
- Tenant Security Deposits _____
- Condos and Townhouses _____
- Residential Subdivisions and Planned Communities _____
- Purchasing Coastal Real Estate in North Carolina _____
- Renting Residential Real Estate _____

Trato Con Agentes de Bienes Raíces
(Working With Real Estate Agents) _____

Preguntas y Respuestas sobre:
(Questions and Answers On:)

- Vivienda Justa (Fair Housing) _____
- El Depósito de Seguridad del Inquilino (Tenant Security Deposits) _____
- Alquiler de Inmuebles para Viviendo (Renting Residential Real Estate) _____

Real Estate Licensing in North Carolina
(Contains license application) _____

Residential Property Disclosure Statement (Available online) _____

Purchase Publications

Quantity Totals

Residential Square Footage Guidelines
(\$.65 per copy) _____ \$

Working With Real Estate Agents
(\$.25 per copy) _____ \$

Questions and Answers on:

Home Inspections
(\$.25 per copy) _____ \$

Earnest Money Deposits
(\$.25 per copy) _____ \$

Real Estate Closings
(\$.25 per copy) _____ \$

Offer and Acceptance
(\$.25 per copy) _____ \$

Owning Vacation Rental Property
(\$.25 per copy) _____ \$

Broker-in-Charge Guide
(\$10 per copy) _____ \$

North Carolina Real Estate License Law and Commission Rules
(\$3.00 per copy) _____ \$

Real Estate Agent Safety Guide
(\$.25 per copy) _____ \$

Amount Enclosed _____ \$

How To Order:

Online: www.ncrec.gov

Mail: NC Real Estate Commission, ATTN: Publications,
P. O. Box 17100, Raleigh, NC 27619-7100

Fax: 1-919-877-4227

This form for free publications only.

NAME _____

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Please allow 7 days from receipt of order for delivery.

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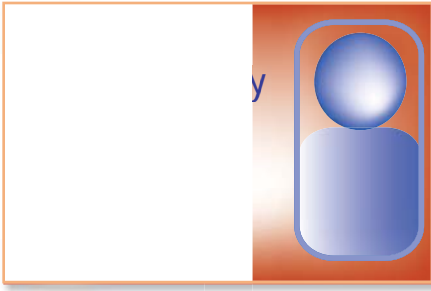
MasterCard Visa

Expiration Date

Credit card orders must be a minimum of \$1.00.

Signature: _____

Please allow 7 days from receipt of payment for delivery.



Penalties for violations of the Real Estate Law and Commission rules vary depending upon the particular facts and circumstances present in each case. Due to space limitations in the Bulletin, a complete description of such facts cannot be reported in the following Disciplinary Action summaries.

OTTO W. ANDERSON (Huntersville) – By Consent, the Commission suspended the broker license of Mr. Anderson for a period of 36 months effective March 1, 2010. The Commission found that Mr. Anderson in 2009 in U.S. District Court pled guilty to and was convicted of the felony criminal offenses of filing a false tax return and transmitting wagering information in violation of federal law and was fined, required to forfeit automobiles, cash and other property, ordered to pay restitution, and placed on probation. The Commission further ordered that its suspension be terminated if, during the suspension period, Mr. Anderson is released from federal probation and submits satisfactory proof of release.

HEATHER N. F. BEASON (Rockingham) – By Consent, the Commission permanently revoked the broker license of Ms. Beason effective February 24, 2010. The Commission found that Ms. Beason performed a sales transaction when not authorized to do so and submitted false closing documents to make it appear that the transaction had closed and the deed of trust had been paid off. The Commission also found that Ms. Beason, while managing the firm's property management accounts, converted approximately \$85,000 in trust monies to her own use and used security deposit funds to conceal the theft.

BONTERRA PROPERTIES OF UNION, INC. (Matthews) – By Consent, the Commission suspended the firm license of Bonterra Properties for a period of 180 days effective March 1, 2010. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Bonterra Properties failed to provide buyers of subdivision property with the required subdivision street disclosure statement.

JIMMY F. BUFF, JR. (Asheville) – By Consent, the Commission reprimanded Mr. Buff effective March 1, 2010. The Commission found that Mr. Buff, as listing agent for a property, represented its square footage at 2,520 square feet even though he was aware that the basement contained several unheat-



ed rooms and that the heated square footage was less than 2,000 square feet. The Commission also found that Mr. Buff included a provision in the listing agreement that the seller would provide heat to the basement rooms, but did not disclose the issue to the purchaser or follow up with the seller to make sure the rooms were provided with heat. The Commission noted that Mr. Buff cooperated fully with the Commission's investigation and reached an agreement with the buyer to pay the buyer approximately \$8,000 for the cost of installing heating to the unheated rooms.

DANIEL J. COLOMB (Little River, South Carolina) – The Commission accepted the voluntary surrender of the broker license of Mr. Colomb for a period of five years effective April 19, 2010. The Commission dismissed allegations that Mr. Colomb violated provisions of the Real Estate License Law and Commission rules. Mr.

Colomb neither admitted nor denied misconduct.

CHRISTINE K. DAVIS (Raeford) – By Consent, the Commission revoked the broker license of Ms. Davis effective April 19, 2010. The Commission found that Ms. Davis, acting as qualifying broker and broker-in-charge of rental property management business, failed to account to management clients for rental proceeds collected on their behalf or to remit proceeds to them. The Commission also found that Ms. Davis paid certain proceeds to a client by check written from the firm's trust account and that the check was returned by the bank. Finally, the Commission found that Ms. Davis failed to supply trust account and other records to the Commission upon request.

DAVIS FAMILY PROPERTIES, INC. (Raeford) – By Consent, the Commission revoked the firm license of Davis Family Properties effective April 19, 2010. The Commission found that Davis Family Properties, a rental property management business, failed to account to management clients for rental proceeds collected on their behalf or to remit proceeds to them. The Commission also found that Davis Family Properties paid certain proceeds to a client by check written from the firm's trust account and that the check was returned by the bank. Finally, the Commission found that Davis Family Properties failed to supply trust account and other records to the Commission upon request.

DEBIEKNOWSHOMES REALTY (Charlotte) – By Consent, the Commission revoked the firm license of DebieKnowsHomes effective May 1, 2010. The Commission found that DebieKnowsHomes, acting as broker and rental agent for the owner of a rental property, received mon-

(See **Disciplinary Action**, page 12)

DISCIPLINARY ACTION

(Continued from page 11)

ey from a tenant as a security deposit, but failed to maintain the money in a trust account and commingled the deposit money with personal funds. The Commission also found that DebieKnowsHomes was unable to produce records of its management of the property for inspection by the Commission.

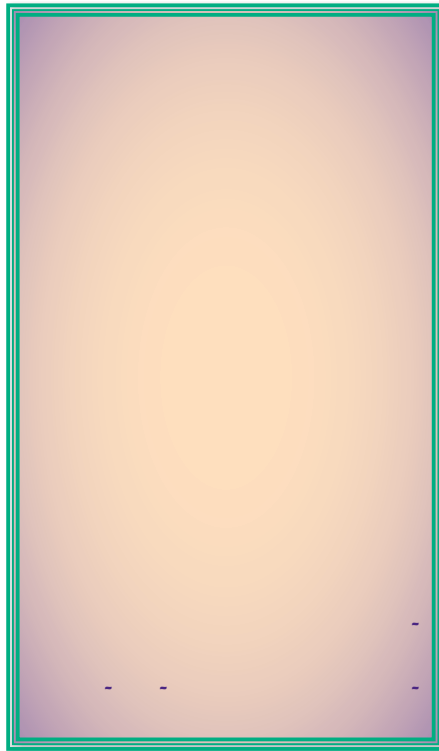
MARCO DELSALTO (Knightdale) – By Consent, the Commission reprimanded Mr. Delsalto effective March 1, 2010. The Commission found that Mr. Delsalto assisted another broker in his firm in acting as a buyer agent for a Spanish-speaking buyer and, although not a member of the MLS, received the lock box code for the property being purchased by the buyer. The Commission also found that Mr. Delsalto, despite the seller's refusal when recordation of the deed for closing was delayed over a weekend, allowed painters to enter the property and begin work on it before the deed was recorded. Finally, the Commission found that Mr. Delsalto failed to respond to Letters of Inquiry from the Commission.

BRANDON S. FOLEY (Charlotte) – By Consent, the Commission permanently revoked the broker license of Mr. Foley effective January 1, 2010. The Commission found that Mr. Foley participated in a series of transactions in which he entered into agreements that would permit undisclosed payments to buyers outside closings and payments to unlicensed promoters for producing buyers for properties. The Commission noted that many of these transactions resulted in foreclosure.

RODNEY E. GEOHAGAN, JR. (Gardner) – By Consent, the Commission suspended the broker license of Mr. Geohagan for a period of two years effective April 1, 2009. One year of the suspension was active with the remainder stayed for a probationary period of one year on certain conditions. The Commission found that Mr. Geohagan participated in a transaction in which the buyer did not have the \$13,000 to close and Mr. Geohagan obtained a certified check from a bank and delivered the check to the closing attorney on behalf of the buyer,

knowing that the closing statement would show the funds as having come from the borrower when in fact they did not. The Commission also found that Mr. Geohagan wrote the buyer a check for \$800 for appliances that was not disclosed to the attorney or lender or shown on the closing statement.

FREEMONT LAMONT HANKERSON (Charlotte) – By Consent, the Commission suspended the broker license of Mr.



Hankerson for a period of one year effective May 1, 2010. The Commission found that Mr. Hankerson consented to the voluntary surrender of his Loan Officer license with the North Carolina Commissioner of Banks as the result of Mr. Hankerson applying for a loan and failing to disclose to the lender on this loan application that he was a loan officer with the originating mortgage company. The Commission also found that Mr. Hankerson indicated on the loan application his total annual income from both his real estate and loan officer positions, but listed his only job as that of a real estate agent and overstated his income on the application. The Commission finally found that Mr. Hankerson failed to timely report the disciplinary action as required by Commission rule.

HBC BUILDERS (Oak Ridge) - By Consent, the Commission reprimanded HBC Builders effective July 1, 2010. The Commission found that HBC Builders, through its qualifying broker and broker-in-charge, served as listing agent for a property in 2006 which had a three-bedroom permitted septic system but was advertised as having four bedrooms on the MLS.

JACQUELINE KAYE HARRELL (Kill Devil Hills) – By Consent, the Commission suspended the broker license of Ms. Harrell and any right to reinstate it for a period of one year effective February 24, 2010. The Commission found that Ms. Harrell failed to timely report an October 2006 conviction for *Driving While Impaired, Level 4*. The Commission also found that Ms. Harrell was convicted in July 2007 of *Driving While License Revoked* and in March 2009 convicted of *Driving While Impaired, Level 1* and failed to respond to Letters of Inquiry from the Commission concerning these matters.

LOUISE C. HEMPHILL (Weddington) – By Consent, the Commission suspended the broker license of Ms. Hemphill for a period of six months effective April 1, 2010. The Commission found that Ms. Hemphill and her husband, who was not licensed, undertook to act as brokers and listing agents for a residential building lot, and that Ms. Hemphill failed to memorialize the listing contract in written form and failed to give her seller clients the *Working With Real Estate Agents* brochure. The Commission also found that her husband, whose license was revoked in 1996, demanded and received a commission from the sellers.

GARY L. HOOKER (Raleigh) – By Consent, the Commission permanently revoked the broker license of Mr. Hooker effective January 1, 2010. The Commission found that Mr. Hooker, acting as broker-in-charge of a real estate brokerage firm, in several transactions failed to enter into written agency agreements with clients, reimbursed the buyers for their expenses in transactions by making payments to the buyers directly and outside the closing, and created and failed to maintain and retain records as re-

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quired by the Real Estate License Law and Commission rules.

LISA R. HOOKER (Raleigh) - By Consent, the Commission permanently revoked the broker license of Ms. Hooker effective January 1, 2010. The Commission found that Ms. Hooker in several transactions failed to enter into written agency agreements with clients, reimbursed the buyers for their expenses in transactions by making payments to the buyers directly and outside the closing, and created and failed to maintain and retain records as required by the Real Estate License Law and Commission rules.

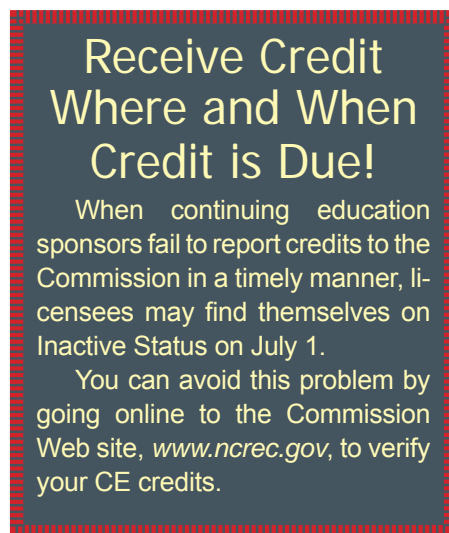
MICHELE DENISE HUGHES (Surf City) – By Consent, the Commission suspended the broker license of Ms. Hughes for a period of 90 days effective March 1, 2010. Thirty days of the suspension were active with the remainder stayed. The Commission found that Ms. Hughes, acting as a dual agent for purchasers of a residence, should have known that the North Carolina Turnpike Authority proposed to build a highway near the property, but did not know about the project and neglected to disclose it to the purchasers. Ms. Hughes neither admitted nor denied the Commission findings.

JACKIE L. JAMES (Hampstead) - By Consent, the Commission suspended the broker license of Ms. James for a period of 90 days effective March 1, 2010. The Commission then stayed the suspension for a probationary period of 12 months. The Commission found that Ms. James, acting as a dual agent for purchasers of a residence, should have known that the North Carolina Turnpike Authority proposed to build a highway near the property, but neglected to disclose it to the purchasers.

JAMES M. ALEXANDER REALTY, INC. (Charlotte) - By Consent, the Commission revoked the firm license of James T. Alexander Realty effective March 15, 2010. The Commission found that James T. Alexander Realty conducted property management services after the firm's license became

inactive and without a qualifying broker or broker-in-charge. The Commission also found that James T. Alexander failed to remit approximately \$154,000 in rental proceeds to his landlord-clients.

JENNIFER F. JONES (Elizabeth City) – By Consent, the Commission permanently revoked the broker license of Ms. Jones effective February 11, 2010. The Commission



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found that Ms. Jones, who provided brokerage and property management services, in 2008 failed to return a rental deposit after the prospective tenants determined that they could not move into a mobile home because of rodent infestation and in 2009 failed to remit a security deposit to her landlord-clients after several demands. The Commission also found that Mr. Jones failed to respond to several Commission Letters of Inquiry regarding these complaints.

SCOTT F. KELLY (Matthews) – By Consent, the Commission suspended the broker license of Mr. Kelly for a period of 180 days effective March 1, 2010. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Mr. Kelly and his firm, Bonterra Properties of Union, Inc., failed to provide buyers of subdivision property with the required street disclosure statement.

ALICE J. KOVACH (Stanley) – By Consent, the Commission suspended the broker license of Ms. Kovach for a period of one year effective March 1, 2010. The Commission then stayed the suspension for a probationary

period of one year on certain conditions. The Commission found that Ms. Kovach, acting as broker-in-charge of a real estate brokerage firm, listed a property for sale and, although never licensed as an attorney, prepared a Declaration of Restrictions for the property and provided a document purporting to convey an easement to benefit an adjacent lot owner.

KOVACH REAL ESTATE, INC. (Stanley) – By Consent, the Commission suspended the firm license of Kovach Real Estate for a period of one year effective March 1, 2010. The Commission then stayed the suspension for a probationary period of one year on certain conditions. The Commission found that the broker-in-charge of Kovach Real Estate listed a property for sale and, although never licensed as an attorney, prepared a Declaration of Restrictions for the property and provided a document purporting to convey an easement to benefit an adjacent lot owner.

DEBRA DAVIS LAWTHERS (Charlotte) – By Consent, the Commission revoked the broker license of Ms. Lawthers effective May 1, 2010. The Commission found that Ms. Lawthers, acting as broker and rental agent for the owner of a rental property, received money from a tenant as a security deposit, but failed to maintain the money in a trust account and commingled the deposit money with personal funds. The Commission also found that Ms. Lawthers was unable to produce records of her management of the property for inspection by the Commission.

AUDRA H. LATTIMORE (Denver) – By Consent, the Commission suspended the broker license of Ms. Lattimore for a period of six months effective December 21, 2009. One month of the suspension was active with the remainder stayed for a probationary period of one year. The Commission found that Ms. Lattimore leased her personal residence and collected from her tenant a \$5,600 security deposit, which she failed to deposit into a trust or escrow account. The Commission also found that Ms. Lattimore, after the termination of the tenancy, re-rented the property to a second tenant and collected a \$4,400 security deposit, which she was unable to immediately refund in full at
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DISCIPLINARY ACTION

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the termination of the tenancy. The Commission noted that Ms. Lattimore has fully repaid the deposit.

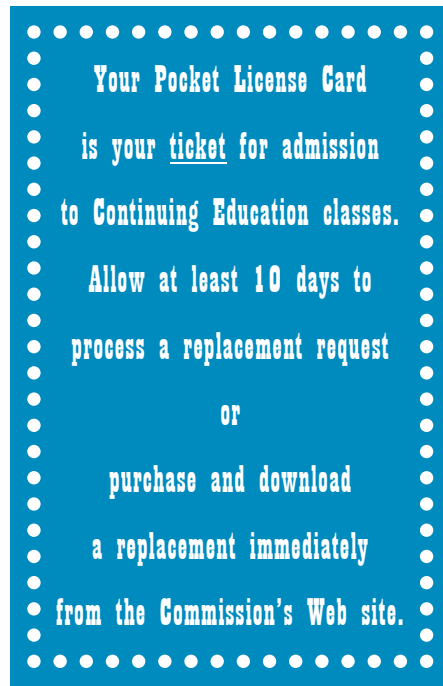
WELTON L. LOFTIN (Huntersville) – The Commission suspended the broker license of Mr. Loftin for a period of two years effective May 3, 2010. The Commission then stayed the suspension for a period of two years on certain conditions. The Commission found that Mr. Loftin, acting as a buyer's agent, represented an individual in an Offer to Purchase and Contract as the owner of the subject property, when, in fact, Mr. Loftin knew the individual was not the owner. The Commission also found that Mr. Loftin presented an offer from a buyer to the sellers of a property and requested that the sellers sign documents showing the contract price to be \$650,000 when the actual price paid to the sellers would be \$535,000 with the remainder going back to the buyer through a shell company. The Commission finally found that Mr. Loftin purported to represent a seller without having a signed written agency agreement and no dual agency addendum, failed to provide the buyer and seller with a Working With Real Estate Agents brochure at the first substantial contact, and received a commission without having that commission provided for in a signed written agency agreement.

CARISA L. MAJESKY (Charlotte) – By Consent, the Commission revoked the broker license of Ms. Majesky effective April 1, 2010. The Commission found that Ms. Majesky, as broker-in-charge of a real estate brokerage firm, participated in three transactions in which she provided funds that were used as down payments for buyers without disclosure to the lenders in the transactions.

TAMMY ALLEN MANNING (Matthews) – By Consent, the Commission suspended the broker license of Ms. Manning for a period of 180 days effective March 1, 2010. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Ms. Manning and her firm, Bonterra Properties

of Union, Inc., failed to provide buyers of a subdivision property with the required street disclosure statement.

MIKE G. MONPETIT (Cary) – By Consent, the Commission reprimanded Mr. Monpetit effective May 1, 2010. The Commission found that Mr. Monpetit listed a distressed property for \$145,000 in November 2007 with listing on the MLS delayed at



the seller's request until January 11, 2008, received an inquiry on January 12 from a real estate agent who expressed interest in the property, and then, with his wife, also a licensee, entered into a contract to purchase the property for \$110,000 without informing the seller of another potential offer.

SUSAN ANN MONPETIT (Cary) – By Consent, the Commission reprimanded Ms. Monpetit effective May 1, 2010. The Commission found that Ms. Monpetit, whose license has been on inactive status since 2006 and who worked as an unlicensed assistant in her husband's real estate brokerage firm, entered into a contract with her husband to purchase for \$110,000 a property listed by her husband at \$145,000 without informing the seller of another potential offer from a real estate agent who had earlier expressed interest in the property.

JESSE REECE ODOM (Huntersville) – By Consent, the Commission suspended the broker license of Mr. Odom for a period of one year effective March 1, 2010. The Commission found that Mr. Odom, licensed in 2002, failed to report a conviction in 2007 of *Driving While Impaired, Level 1*, which was his fifth conviction for impaired driving, the previous four having been disclosed on his original license application.

RALPHELE REELS (Durham) – By Consent, the Commission revoked the broker license of Mr. Reels effective March 1, 2010. The Commission found that Mr. Reels, who was also certified as a home inspector and real estate appraiser, reported in several transactions incorrect information on appraisals submitted to lenders to obtain financing for buyers. The Commission also found that Mr. Reels failed to report disciplinary action taken against him by other licensing boards to the Commission as required.

MAURICE CARLOS ROCHA (Jacksonville) – By Consent, the Commission reprimanded Mr. Rocha effective March 15, 2010. The Commission found that Mr. Rocha failed to disclose four convictions dating from the early 1990's on his 2007 license application.

ROBERT WILSON SANGER (Wilmington) – By Consent, the Commission reprimanded Mr. Sanger effective March 15, 2010. The Commission found that Mr. Sanger was convicted of *Driving While Impaired* on February 13, 2007 and *Driving While Impaired, Level Two* on February 26, 2009 and failed to report either conviction until October 19, 2009, more than 60 days after final judgment.

DEANNA BUTLER SINGLETARY (Rockingham) – The Commission revoked the broker license of Ms. Singletary effective April 1, 2010. The Commission found that Ms. Singletary, broker-in-charge of a sole proprietorship, listed a foreclosure property, the sale of which would earn a selling agent a bonus of \$1,800 plus full commission, and subsequently presented an offer to purchase to the seller from buyers (See **Disciplinary Action**, page 15)

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whom she had represented in approximately five or six previous transactions, listing herself as seller sub-agent on the contract. The Commission also found that Ms. Singletary received a second substantially higher offer from another real estate broker three days after the first offer and failed to present the offer to the seller although the first offer had not yet been accepted.

SLOANE REALTY (Ocean Isle Beach) - By Consent, the Commission reprimanded Sloane Realty effective May 1, 2010. The Commission found that Sloane Realty reported that its unlicensed bookkeeper embezzled trust account funds totaling \$53,973.28; that the firm did not always use designated trust accounts for property owner association funds and failed to implement a trust account record keeping journal in compliance with Commission rules, and that one account had an overage of \$1,700. The Commission also found that the firm used a software program to manage accounts that would not produce a journal in compliance with Commission rules. The Commission further found that the firm managed vacation property rentals for which there was no adequate property ledger system; that vacation rental forms did not clearly disclose the use of an interest bearing trust account; that the firm charged fees and deposits not permitted by the Vacation Rental Act, and did not disclose fees earned for the sale of travel and peace of mind insurance. Pursuant to the order, the firm provided evidence that its trust accounts were now being maintained in accordance with Commission rule.

DEBBIE SMITH (Ocean Isle Beach) – By Consent, the Commission reprimanded Ms. Smith effective May 1, 2010. The Commission found that Ms. Smith, as broker-in-charge and qualifying broker of a licensed real estate firm, reported that her unlicensed bookkeeper embezzled trust account funds totaling \$53,973.28; that the firm did not always use designated trust accounts for property owner association funds and failed to implement a trust account record keeping journal in compliance with Commission

rules, and that one account had an overage of \$1,700. The Commission also found that the firm used a software program to manage accounts that would not produce a journal in compliance with Commission rules. The Commission further found that the firm managed vacation property rentals for which there was no adequate property ledger system; that vacation rental forms did not clearly disclose the use of an interest bearing trust account; that the firm charged fees and deposits not permitted by the Vacation Rental Act, and did not disclose fees earned for the sale of travel and peace of mind insurance.

MARCUS S. SPENCER (Durham) – By Consent, the Commission suspended the broker license of Mr. Spencer for a period of two years effective January 13, 2010. Six months of the suspension are active with the remainder stayed until the end of the suspension period. The Commission found that Mr. Spencer reported to the Commission that on July 22, 2009, he had been convicted of *Possession of More than ½ oz. but Less Than 1 ½ oz. of a Schedule VI Controlled Substance (Marijuana)* and *Possession of Drug Paraphernalia* in Durham County. The Commission also found that Mr. Spencer was previously convicted of additional criminal offenses in 1993, 1996, and 1998 and failed to disclose the 1993 conviction on his application for licensure and failed to disclose the 1996 and 1998 convictions within 60 days of final judgment as required by Commission rules.

MARY MARTHA MCGUIRE SPENCER (Salisbury) – By Consent, the Commission suspended the broker license of Ms. Spencer for a period of six months effective February 11, 2010. The suspension was stayed for a probationary period of two years on certain conditions. The Commission found that Ms. Spencer, who disclosed four prior convictions on her 2006 license application, was convicted in 2008 of *Impaired Driving Level Two* and sentenced to 10 days in the custody of the county sheriff, 24 months supervised probation and payment of fines and fees totaling \$871.

THE HOME GROUP, INC. (Belmont) - The Commission accepted the voluntary

surrender of the firm license of The Home Group for a period of five years effective April 19, 2010. The Commission dismissed allegations that The Home Group violated provisions of the Real Estate License Law and Commission rules. The Home Group neither admitted nor denied misconduct.

TOWN & COUNTRY REALTY, INC. (Cary) – By Consent, the Commission reprimanded Town & Country Realty effective May 1, 2010. The Commission found that Town & Country Realty listed a distressed property for \$145,000 in November 2007 with listing on the MLS delayed at the seller's request until January 11, 2008, received an inquiry on January 12 from a real estate agent who expressed interest in the property, and then, the firm's broker-in-charge with his wife, also a licensee, entered into a contract to purchase the property for \$110,000 without informing the seller of another potential offer.

UNITED REAL ESTATE AND INVESTMENT GROUP, INC. (Raleigh) - By Consent, the Commission permanently revoked the firm license of United Real Estate and Investment Group effective January 1, 2010. The Commission found that United Real Estate and Investment Group in several transactions failed to enter into written agency agreements with clients, reimbursed the buyers for their down payments and costs in transactions by making payments to the buyers directly and outside the closing, and created and failed to maintain and retain records as required by the Real Estate License Law and Commission rules.

NICIE JENNIFER WALLS (Durham) – By Consent, the Commission reprimanded Ms. Walls effective April 1, 2010. The Commission found that Ms. Walls falsely represented to the Centralized Showing Service when requesting permission to show a property that she was in front of the property with prospective buyers when, in fact, she was at home. The Commission also found that Ms. Walls provided prospective buyers with the lockbox combination to the property to enable them to enter without her being present, and when the buyers set off the security alarm she falsely represented
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North Carolina Real
Estate Commission
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OFFICE FORM #1

Client/Customer Identification Form

Know who you are doing business with! Offices across the nation are now asking for photo identification and information from clients before going to view property. The form is quick and easy to fill out and asks for name, address, employer and automobile information. Not only does this procedure identify the person you are working with, it helps qualify a prospect and aids police if something does happen to you. This sample form might just be the best preventative safety measure you and your office can take.

We have found that clients and customers are very understanding of why we need this information. There has been little or no resistance to providing the identification. If a client or customer does object, that in itself should raise a red flag.

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to the Centralized Showing Service that she was at the property in order to obtain the security alarm code. The Commission further found that the sellers arrived home to find the prospective buyers there alone and that respondent paid to have the home re-keyed and paid a \$500 fine to her local Board of REALTORS®. Finally, the Commission found that Ms. Walls was conducting business under a name different from that on her license because she failed to notify the Commission of her name change.

BOBBIE L. WEAR (Oak Ridge) – By Consent, the Commission suspended the broker license of Ms. Wear for a period of one year effective July 1, 2010. The Commission then stayed the suspension for probationary period of one year. The Commission found that in 2006 Ms. Wear, acting

as qualifying broker and broker-in-charge of her licensed building/real estate firm, served as listing agent for a property in 2006 which she was aware had a three-bedroom permitted septic system but advertised the house as having four bedrooms on the MLS.

MICHAEL E. WOLLEN (Rock Hill, South Carolina) – By Consent, the Commission revoked the broker license of Mr. Wollen effective March 15, 2010. The Commission found that Mr. Wollen conducted property management services as president of a real estate brokerage firm after the firm's license became inactive and without a qualifying broker or broker-in-charge and without affiliating with a licensed active firm or declaring himself broker-in-charge. The Commission also found that Mr. Wollen failed to remit approximately \$154,000 in rental proceeds to his landlord-client.

GARY M. WOOD (Charlotte) – By Consent, the Commission permanently revoked the broker license of Mr. Wood effective February 11, 2010. The Commission found that Mr. Wood in 2007 participated in a fraudulent scheme in which he sold three homes to buyers in transactions in which he agreed to accept less for the homes than the purchase price stated in the contracts and closing statements. The Commission also found that the difference in price Mr. Wood agreed to accept and the contract price shown on the closing statements and contracts was disbursed to various companies owned by other participants in the scheme by entries on the closing statement that were false. The Commission further found that Mr. Wood pled guilty to one count of *Mortgage Fraud Conspiracy* in the U.S. District Court, Western District, Charlotte Division, and is currently awaiting sentencing.