



## Education Director Larry A. Outlaw To Retire

Larry A. Outlaw, Director of the Education and Licensing Division, will retire from the Commission effective February 1 after 35 years of service.



Outlaw, both an attorney and licensed real estate broker, assumed the position of director in January, 1979, when the division was established.

A native of Mount Olive, he is a graduate of Davidson College and the Uni-

**Director, Education and Licensing**  
*Search Information, Page 8*

versity of North Carolina School of Law. Prior to joining the Commission, he worked in the field of education in both administration and development with various types of educational programs at the community/junior college level.

*(See **Outlaw**, page 7)*

## Commission Members Appointed

Governor Pat McCrory has appointed three new members to the Commission for terms ending July 31, 2016.

Leonard H. "Tony" Craver of Durham, Craver Real Estate;

George Bell of Winston-Salem, G. Bell Properties and George Bell Productions; and

Anna Gregory Wagoner of Winston-Salem, attorney with Blanco Tackabery and Matamoros.

**Proposed Rule Changes**  
See page 5.

## Everett "Vic" Knight Elected Chairman, Thomas R. Lawing, Jr., Vice Chairman

Everett "Vic" Knight of Raleigh has been elected Chairman and Thomas R. Lawing, Jr., of Charlotte, Vice Chairman, of the North Carolina Real Estate Commission effective August 1, 2013, it was announced by Miriam J. Baer, Executive Director.

Knight, a member of the Commission since 2009, has been a licensed broker since 1984. He is also a North Carolina Certified General Appraiser and the owner of Chapel Hill Appraisals and Consultants and AppraiZR.com. Previously, he was broker/owner of Century 21 Vic Knight Realty in Hillsborough for 10 years.

A native of Burlington, Knight graduated from North Carolina State University with a BS in Civil Engineering and worked internationally for Bechtel Corporation for several years.



**Knight**



**Lawing**

Knight is currently a director of the National Association of REALTORS®, a past president of the North Carolina Association of REALTORS®, past president of the Chapel Hill Board of REALTORS®, past president of the Triangle (See **Commission**, page 8)

## BICAR Improvement Plan

The Commission requires all brokers-in-charge (BICs) to take a *Broker-in-Charge Annual Review (BICAR)* course, along with the required *Update* course. This completes the BIC's annual continuing education (CE) requirement.

At its August meeting, the Commission considered whether to change the requirement to a biennial review, so that BICs could choose an elective every other year, an approach favored by many. Mindful of its goal to provide BICs with timely information critical to their role, the Commission determined to retain the annual requirement, but to make improvements to the course.

The Commission will be convening a focus group to develop its plan for *BICAR* course improvements.

The group will include *BICAR* educators and BICs representing sectors of the brokerage industry including:

- Residential brokerage
- Commercial brokerage
- Property management
- Solo practice
- Firms with multiple associates

The Commission may also survey BICs for more input. If you receive a survey, please respond to give the Commission direct feedback about what would be most useful to you as a BIC.

Watch the Commission's Web site, blog, and social media for further developments.

## REAL ESTATE BULLETIN

Published as a service to real estate licensees to promote a better understanding of the Real Estate License Law and Commission rules, and proficiency in real estate practice. The articles published herein shall not be reprinted or reproduced in any other publication without specific reference being made to their original publication in the Commission's Real Estate Bulletin.

### NORTH CAROLINA REAL ESTATE COMMISSION

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Pat McCrory, Governor

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Miriam J. Baer  
Executive Director

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Matthew A. Wentz	License Application Analyst

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**Editor-In-Chief**  
Miriam J. Baer

**Editor**  
Robert L. Forshaw



## People

# Michael Gray Investigator of the Year

**Michael B. Gray**, Chief Financial Fraud Investigator, received the 2013 Investigator of the Year Award from the Association of Real Estate License Law Officials (ARELLO®). He was also recognized by ARELLO® as Investigator of the Year in 2004.



Gray investigated a complex "builder kickback" scheme in which real estate agents and firms listed properties at inflated prices for a builder and solicited buyers through promoters.

Kickbacks were paid to promoters and buyers from property sales proceeds and not disclosed on loan application documents or HUD-1 settlement statements. Real estate licensees collected and distributed the illegal kickbacks and/or received real estate

*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](http://www.ncrec.gov).*

commissions from transactions involving hundreds of homes and over \$42 million in illegal loans. Property foreclosures resulted when investors were unable to rent or sell as promised.

Gray's work led to license revocations for North Carolina licensees and enabled federal law enforcement officials to obtain criminal convictions and sentences for the licensees and other participants.

With the Commission for 17 years, Gray was named Chief Financial Fraud Investigator in 2010 for the Financial Fraud Unit, which investigates mortgage fraud cases involving real estate licensees. His work fostered a cooperative relationship with federal officials in the investigation and prosecution of fraudulent real estate transactions. He holds the ARELLO® "Certified Real Estate Investigator" (CREI) designation.

## Appearances

**Miriam J. Baer**, Executive Director, spoke to the Central Carolina Association of REALTORS®, High Point Regional Association of REALTORS® Leadership Meeting, North Carolina Real Estate Educators, and the North Carolina Association of REALTORS® Annual Convention.

**Janet B. Thoren**, Director, Regulatory Affairs Division, spoke to the Raleigh Regional Association of REALTORS® on Fracking and How to Avoid the Dreaded Brown Envelope, and to the North Carolina Association of REALTORS® Annual Convention.

**Charlene D. Moody**, Assistant Director, Regulatory Affairs Division, spoke to the Greenville Pitt Association of REALTORS® and to the Yancey Mitchell Board of REALTORS®.

**S. Adam Stallings**, Chief Deputy

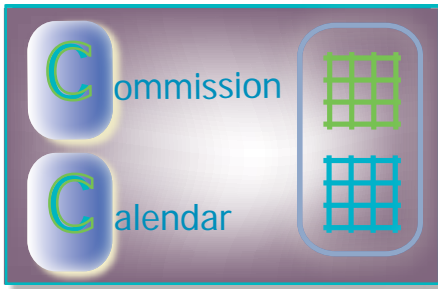
Legal Counsel, spoke to the Neuse River Regional Association of REALTORS®.

**Bruce W. Moyer**, Education and Licensing Officer, spoke to the Durham Regional Association of REALTORS® and to the Southern Homes of the Carolinas in Cornelius.

**Jean Wolinski-Hobbs**, Consumer Protection Officer, spoke to the Raleigh Regional Association of REALTORS®.

**Glenn M. Wylie**, Consumer Protection Officer, spoke to Advance Mortgage Education in Raleigh, the Harnett Area Board of REALTORS®, and the Johnston County Association of REALTORS®.

**Peter M. Myers**, Information Officer, spoke to Hometowne Realty in Clayton, Lake Norman Realty, the North Carolina Annual Short Sale Conference, and RE/MAX Executive Realty in Charlotte.



November 13  
 December 11  
 January 15  
 February 12

*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.*

## Commission Awards Scholarships

The Commission awarded three scholarships at the June meeting to brokers who have achieved outstanding academic performance while pursuing real estate education beyond what is required for a broker license.

Winners of the scholarships, which honor former Commission Executive Directors, are Geri Mullinix, Charlotte, *Joe Schweidler Memorial Scholarship*; Katherine Pierce, Apex, *Blanton Little Memorial Scholarship*; and Richard Cooke, Asheville, *Phillip T. Fisher Scholarship*. Cooke was unable to be present. Recipients received a plaque recognizing their achievement and reimbursement of course tuition fees.

Mullinix and Pierce were selected by the North Carolina Real Estate Educational Foundation for courses in the REALTORS® Institute, and Cooke was selected by the North Carolina chapter of the National Association of REALTORS® Council of Real Estate Specialists (CRS).



*At the June 2013 Commission meeting, then Chairman Benjamin Cone III (left) and then Vice Chairman Everett "Vic" Knight (right), now Chairman, together with NCREEF 2013 President Mitzi Malcolm, presented plaques to (l. to r.) Ms. Geri M. Millinix and Ms. Katherine J. Pierce.*

## COURSE SCHEDULES

### Broker-in-Charge and Basic Trust Account Procedures Courses

Please see the Commission Web site, [www.ncrec.gov](http://www.ncrec.gov), under Course Registration, for locations, dates, and times from October 29-30 thru December 16-17, 2013.

#### Broker-in-Charge Course

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

Asheville	December 4-5	Holiday Inn East/Blue Ridge Parkway
Concord	November 19-20	Hilton Garden Inn, Concord
Greensboro	November 6-7	Deep River Event Center
Raleigh	October 29-30 December 16-17	McKimmon Center

#### Basic Trust Account Procedures Course

Raleigh	December 10, 1 - 5 p.m.	McKimmon Center
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See Commission Web site to confirm course dates.



There is NO prohibition against real estate brokers contacting and “talking” to the appraiser. However, there are clearly topics and facts that the appraiser CANNOT discuss or share with anyone other than the appraiser’s client. (Typically, the client is the LENDER.)

Appraisers are highly regulated both on the state and federal levels.

“Appraiser Independence” is the Law under Dodd-Frank (Wall Street Reform and Consumer Protection Act), and there are certainly circumstances where a broker can contact and “talk” to the appraiser.

The national housing market downturn brought numerous regulatory changes to the real estate industry, including the entire appraisal process. Dodd-Frank legally sunset the Home Value Code of Conduct and required the Federal Reserve to amend the appraisal independence rules of Regulation Z of the Truth in Lending Act. The interim final rule effective April 1, 2011, applies to all consumer credit transactions secured by a consumer’s principal dwelling. Fannie Mae and Freddie Mac servicing guidelines now reflect this rule. In addition, state laws and regulations require appraisers to comply with Uniform Standards of Professional Appraisal Practice (USPAP). Among many other things, this legislation and the accompanying rules include exactly what can be “asked” of an appraiser.

Recognize that the appraiser’s function is to develop an independent, impartial and objective opinion of the value of the property for the lender to determine what the underlying collateral value is to base their financial lending decision on.

First, the Ethics Rule of USPAP prohibits appraisers from “Disclosing” 1) confidential information or 2) assignment results to anyone other than the “Client” (ie; entities or persons authorized by the client).

Secondly, language in Dodd-Frank states: “The requirements .... shall not

be construed as prohibiting a ..... real estate broker, .....or any other person with an interest in a real estate transaction from asking an appraiser to undertake one or more of the following: 1) Consider additional, appropriate property information, including the consideration of additional comps .....

to make or support an appraisal, 2) Provide further detail, substantiation, or explanation for the appraiser’s value conclusion, 3) Correct errors.”

This language does not allow a full blown “conversation” or “discussion” with the appraiser, but it does address the points that brokers can “ask” of an appraiser. However, this does imply that the flow of information is essentially one-way, from the broker to the appraiser. The broker CANNOT anticipate there will be any substantial “conversation” or “discussion” about the appraisal or conclusions.

It is unfortunate that some AMC’s have instructed appraisers to significantly limit their interaction with otherwise interested parties to the transaction, creating much of the confusion on what type of contact and talk can be held with appraisers.

The most favorable “window-of-opportunity” to “talk” to the appraiser is as soon as the “appraisal inspection” is scheduled. There are many things that brokers and sellers can do to put the property in the best position possible for the most favorable appraised value outcome. The most important is providing as much accurate, current and detailed information on the subject property as possible. Most of that information can easily be provided through the local MLS (including as many photos as the MLS will allow), which is not only beneficial to the appraiser of the subject property but equally beneficial when the appraiser uses that same information as a future comparable and especially to potential buyers during their search

process. This important information is the first opportunity for the listing broker to provide factual insight into the subject property and also disseminates the broker’s unique knowledge of the local real estate market through supporting information and often supporting documentation.

Brokers are allowed to contact appraisers and provide additional property

information, including a copy of the sales contract for purchase transactions. Brokers may not intimidate or bribe an appraiser and an appraiser may not disclose confidential information about the appraisal or the assignment at any time.

Therefore, the “new-normal” is the development of an “appraisal package” on every property which comes under contract and subject to a mortgage. Make the “appraisers package” available at the property for the appraisal inspection, or meet the appraiser at the property so you can answer any questions, and inform the appraiser of the unique factual features of the property or neighborhood, and make sure you allow the appraiser the space and time to complete their inspection. The appraisers package could include plats, surveys, deeds, covenants, HOA documents, floor plans, specifications, inspection reports, neighborhood details, recent similar quality comparables, detailed list and dates of upgrades, remodels or repairs, recent CMA’s, etc. Provide the seller/buyer a copy of the brochure developed by The Appraisal Foundation entitled “A Guide to Understanding a Residential Appraisal” available for download at <http://www.realtor.org/appraisal/a-guide-to-understanding-a-residential-appraisal>.

## Can I Talk to the Appraiser?

By Everett “Vic” Knight, Chairman, NC Real Estate Commission



Following is a summary of proposed rule changes to be effective July 1, 2014:

**A.0104:** Amend paragraph (d) of the rule governing agency agreements and disclosures to prohibit a broker who is also a party to a transaction from representing an opposing party in the same transaction; clarify circumstances under which a listing broker may purchase his/her client's property.

**A.0109:** Amend the rule governing brokerage fees and compensation to prohibit a broker from accepting compensation from a vendor in exchange for recommending the vendor's services to a party

**A.0112:** Amend the rule governing offers and sales contracts to incorporate minor technical changes.

**A.0114:** Rephrase Question #24 on the Residential Property and Owners' Association Disclosure Statement to inquire whether, based upon the seller's knowledge, the property is in violation of any local zoning ordinances, restrictive covenants, building code requirements, or other land-use restrictions, and eliminate the reference to notice from a government agency about those restrictions.

**A.0117:** Amend Paragraph (f) of the rule governing accounting for trust money to incorporate minor technical changes.

**A.0118:** Amend the rule governing the handling of trust money belonging to owners' associations to incorporate minor technical changes.

**A.0404:** Amend the rule prohibiting cheating and certain other misconduct in connection with the licensing examination to add violations of various examination instructions as rule violations and to add dismissal from an examination, invalidation of examination score and forfeiture of examination and application fees as possible consequences in addition to denial of a real estate license and disciplinary action if an applicant becomes licensed prior to the discovery of the violation.

**A.0502:** Amend Paragraphs (a) and (d) governing the licensing of business

entities to incorporate minor technical changes.

**A.1709:** Amend the rule governing brokers' requests for extensions of time within which to complete CE to clarify that a request for extension must be made by a licensee on active status and submitted not later than June 10.

**A.1808:** Amend the rule governing the handling of trust monies by a non-resident commercial broker to incorporate minor technical changes.

**C.0209:** Amend the rule governing private real estate school enrollment procedures to require that the mandatory student enrollment contract for post-licensing courses include a description of the provisions in Rules C.0302(c) and A.1904(a)(3) prohibiting schools from knowingly allowing postlicensing students to enroll in two courses simultaneously if the student would be in class for more than 21 hours in a seven-day period and authorizing the Commission to deny or withdraw postlicensing credit as to a student participating in simultaneous courses exceeding 21 hours in seven days.

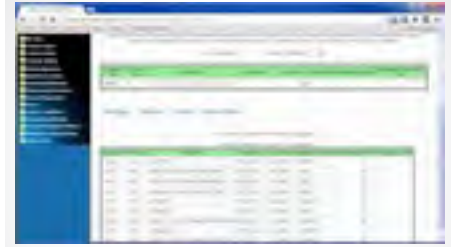
**C.0309(a):** Amend the rule to allow school officials' signatures on course completion certificates to be provided electronically rather than only by signature or signature stamp in a color other than black.

**E.0304:** Amend the rule governing the criteria for elective course approval to provide that where a proposed new course has been reviewed by the Commission twice and found unsatisfactory after both reviews, any subsequent submission will be treated as an initial application requiring the payment of a \$100 course application fee.

**E.0408:** Amend rule on changes in CE sponsor ownership to be consistent with proposed new rule clarifying G.S. 93A-35(c) on changes in private real estate school ownership.

## Rule Changes Proposed; Effective July 1, 2014

## New Video



*This new Commission video describes how to use the online Continuing Education course registration system.*

## Commission Approves Licensee Data Policy

The Commission has approved a policy to segregate public and private licensee data, in response to the changes to the Real Estate License Law. Currently, email and delivery addresses, whether business or home, are considered to be public.

A method for retaining a personal email address that is not public record is being created. Licensees will be able to log into the Commission's Web site and use a new icon on their personal screen which will allow them to either add a "private" email address or move the existing email address to the "private" area.

The Commission will be the only organization that will use the "private" email address (for purposes such as renewal reminders, *Bulletins*, and important licensee notifications).

A licensee on inactive status, or on active status working from home, will still have their home address shown as their delivery address unless they change that address to a post office box. All information from the application of a new licensee will be considered private, again with the exception of the home address, until the applicant either provides a post office box or business address.

All pertinent Commission forms are being updated to permit the inclusion of two email addresses, public and private, should a licensee wish to provide them.

# 'Coming Soon' Revisited

By Janet B. Thoren, Legal Counsel

In the [May, 2013 issue of the Bulletin](#), an article appeared entitled New Brokerage "Coming Soon". The article addressed increased calls to the Commission regarding the use of "Coming Soon" sign riders attached to "For Sale" signs, and it generated so much conversation about issues stemming from this marketing tool that we felt it warranted a place in the Update Course as well as a follow-up article addressing a few lingering questions.

**Q:** I have a client who is ready to list, but needs to clean up the inside and make a few repairs. Can I list the property but not show it until it's ready, and can I place a "For Sale" sign in the yard with a "Coming Soon" sign rider to generate interest in the meantime?

**A:** Maybe. You must first enter into a written agency agreement with the owner that authorizes you to advertise the property. Once you have that, you can place a sign in the yard. If the property is not ready to be shown TO ANY potential buyers, you may attach a "Coming Soon" rider. Remember that your sign must comply with Rule A .0105 Advertising.

**Q:** My client wants me to list his home but he's not ready to sign a listing agreement yet. Can I advertise his property as "Coming Soon"?

**A:** Maybe. A broker is prohibited from advertising property belonging to another without first entering into a written brokerage agreement. The brokerage agreement must comply with the requirements of Rule A .0104, Agency Agreements and Disclosure, but the owner could limit the agreement to advertisement of the property as "Coming Soon" only. If that is the case, the broker may place a "Coming Soon" sign in the yard but may not place a "For Sale" sign, as the owner has not listed the property for sale. Under those circumstances, the broker may not advertise or disclose a

list price and may not show the property to any potential buyers.

**Q:** My client wants to list now, but she doesn't want a lot of traffic in her home. I'd like to take the listing and place a "Coming Soon" sign, either as a rider to a "For Sale" sign or as an independent sign, in the yard, but not advertise the property in the multiple listing service and only show it to a few buyers I know are interested in that type of property. That way I can generate leads without opening her home to a lot of traffic.

**A:** No. Once the property is listed for sale, it should be available for viewing by any interested buyers unless legally and specifically excluded by the seller. For example, a seller may direct you to not advertise the property on a particular site or not to show the property to a specific person as long as the basis of the denial is not discriminatory. By limiting the market of potential buyers to those within a broker's firm or those with a business relationship to the broker or another broker, you may sub-

ject yourself to a claim of discrimination or even antitrust violations. In addition, you are likely doing a disservice to your seller client. Limiting potential buyers may also limit the potential selling price of the property. If you belong to a multiple listing service, you may be required to enter a new listing within a certain period of time. Post-dating a listing to avoid a problem with the MLS could be considered a misrepresentation. If you are a member of the North Carolina Association of REALTORS®, this type of conduct may constitute a violation of their Code of Ethics as well.

Remember, the goal is to sell the property under the most favorable terms for your client, not yourself. If your client isn't prepared to have buyers view the property, that means none, including your own or your buddy's. Please call the Regulatory Affairs Division at 919-875-3700 if you have further questions about this or any other topic.



## Commission Military Outreach Program

Termination of rental contracts (leases or other agreements) entered into by members of the military is the focus of a new Commission Web site page and brochure, *Questions and Answers on: N.C. Military Personnel Residential Lease Termination*.



The Web page contains general information about special federal and state landlord and tenant laws for military personnel, links to pertinent state statutes, the federal Civil Relief Act, the North Carolina State Bar Standing Committee on Legal Assistance for Military Personnel, and Small Claims court forms.

The brochure is free and written for those serving in the United States Armed Forces. However, it is also informative for owners and landlords of rental properties occupied by military personnel.

Orders for the publication may be placed online at the Commission's Web site, [www.ncrec.gov](http://www.ncrec.gov), or by the publications order form in this issue of the *Bulletin*.



Scan this QR code to access the Commission Web site's Military Resources page from your mobile devices.



## Outlaw

(Continued from page 1)

Outlaw worked to improve real estate prelicensing and postlicensing education, encourage community colleges and four-year college/universities to offer the Commission's real estate prelicensing and postlicensing courses, and expand the educational component of the licensing requirement.

His advocacy of minimum standards for approval of real estate instructors led to the requirement that North Carolina's instructors possess not only real estate brokerage experience but also effective

### Are Your Trust Account Records Ready for Inspection?

Every year the Commission's auditors perform spot inspections of trust account records to determine the records' compliance with the Real Estate License Law and Commission rules. For the 2013-14 year, the Regulatory Affairs Division has created a new spot inspection program designed to target 20 counties per year so that all 100 counties are covered in a five-year period. A few inspections will be done via U.S. mail, but most will be in-office.

This fall, inspections will be conducted in the following counties: Yancey, Cleveland, Yadkin, Union, Caswell, Granville, Franklin, Sampson, Craven, and Pasquotank.

In the spring of 2014, auditors will be in the following counties: Cherokee, Madison, Ashe, Stokes, Lee, Scotland, Columbus, Wayne, Northampton, and Camden.

Brokers in these areas who maintain trust accounts should be able to produce records that include trial balances, reconciliations, bank statements, checks, deposit tickets, journals, ledgers, transaction files with agency agreements and disclosures, and files for any broker price opinions performed.

teaching skills. He established the Commission's annual sponsorship of a state-wide Real Estate Educators' Conference for real estate instructors and school directors. With the implementation of the continuing education requirement for real estate licensees in 1994, Outlaw crusaded for the implementation of high standards for both the mandatory and elective courses.

Outlaw also worked to assure the excellence of the Commission's licensing examination. In 1983, when the Commission decided to develop its own license examination, Outlaw collaborated with Professor Kinnard White of the University of North Carolina to assure that the Commission's examination program would comply with professional standards for development of occupational licensing examinations. Following years of experience developing the Commission's examinations, he served multiple terms as Chairman of the Examination Certification Committee of the Association of Real Estate License Law Officials (ARELLO®).

After the savings and loan crisis in the late 1980's and implementation of

regulations requiring licensing and certification of real estate appraisers, Outlaw also played a primary role in the development of North Carolina's appraiser education and licensing program.

In 1990, Outlaw received the Order of the Long Leaf Pine from Governor James G. Martin. The award is given to outstanding individuals who have a proven record of service to the state. In 1990-91, Outlaw served as national president of the North Carolina Real Estate Educators Association.

As a researcher and writer, Outlaw has shouldered major responsibility since 2000 for the biennial editions of the *North Carolina Real Estate Manual*, which serves as the textbook for real estate postlicensing classes and as a comprehensive reference for matters concerning North Carolina brokerage practice. Prior to publication of the *Manual*, Outlaw collaborated with law professors James A. Webster, Jr., and Patrick K. Hetrick to produce multiple editions of *North Carolina Real Estate for Brokers and Salesmen* - the primary textbook for generations of North Carolina real estate prelicensing course students.



### Legal Internship Award

*Nathaniel K. Bascom, second-year student at the Duke University School of Law, received the 2013 Allan R. Dameron Legal Internship Award, at the June Commission meeting from Benjamin Cone III, then Chairman, (left) and Everett "Vic" Knight, then Vice Chairman, now Chairman (right). The Commission gives the award annually in memory of and tribute to former Commission Chairman Dameron for his dedicated service in protecting the interests of consumers.*

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## Director, Education and Licensing North Carolina Real Estate Commission

With the impending retirement of Larry Outlaw, Director of Education and Licensing, the Commission has started a national search for his replacement. The Commission has retained Coleman Lew + Associates, Inc., headquartered in Charlotte, NC to partner with the Commission in conducting the search.

We are looking for an exceptional and innovative educator with strong leadership, communication and technological skills, along with solid managerial, analytical and interpersonal skills.

For more information, consideration, or referrals, please contact Ken Carrick or Janny DeLoache of Coleman Lew at [DEL@colemanlew.com](mailto:DEL@colemanlew.com) or 704-377-7828.

**The North Carolina Real Estate Commission is an Equal Opportunity Employer.**

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## Broker Numbers

As of October 1, 2013, there is a total of 89,674 brokers licensed by the Real Estate Commission in the following categories:

Active Brokers 55,261

(Active Provisional Brokers 3,291)

Inactive Brokers 23,475

(Inactive Provisional Brokers 3,521)

Firms 10,938

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## Commission

(Continued from page 1)

Multiple Listing Service, and past-chair of the National Association of REALTORS® Appraisal Committee. He is a Continuing Education Instructor for the North Carolina Real Estate Commission and the North Carolina Appraisal Board, and serves on the Board of Trustees of the Appraisal Foundation.

Lawing is a Certified Property Manager and President of T. R. Lawing Realty, a family-owned residential property management company serving the Charlotte region since 1957.

He is a past president and REALTOR® of the Year of both the North Carolina Association of REALTORS® (NCAR) and the Charlotte Regional REALTORS® Association (CRRA) and a past director of the National Association of REALTORS® (NAR).

Active in civic affairs, Lawing currently serves as Chair of the Church Council at Hawthorne Lane United Methodist Church and is a past president of the Charlotte West Rotary Club and past chair of the Eagle Projects Committee of the Mecklenburg County Council of the Boy Scouts of America.

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## Schools and Instructors

### Outstanding Examination Performance Records

July 1, 2012 - June 30, 2013

The North Carolina Real Estate Commission monitors applicant performance on the license examination and regularly reports this information to schools and instructors. In particular, the Commission uses information about the performance of applicants who are taking the licensing examination for the first time in order to assure that quality instruction is being provided in prelicensing courses by schools and instructors. The most recent performance record for each school can be found on the Commission's website at <http://www.ncrec.gov/pdf/schools/LicExamPerfRep.pdf>.

The overall examination performance (passing rate) for all first-time candidates taking the comprehensive real estate examination for the license year July 1, 2012 – June 30, 2013 was 61%. The Commission congratulates each of the following schools and instructors (with six or more students tested) for achieving an outstanding examination performance record of 75% or higher during the most recent annual reporting period. The Commission recognizes that to have students perform at such a level on the license examination requires a combination of high quality instruction and high course completion standards.

#### ■ School

■ Central Piedmont Community College, *Charlotte*; ■ Elliot Real Estate Academy, *Greensboro*; ■ North Carolina Academy of Real Estate LLC, *Nags Head*; ■ Southern Choice Real Estate Academy, *Wilmington*; ■ Superior School of Real Estate, *Charlotte*; ■ Terry Farr Real Estate School, *Fayetteville*; ■ Wilkes Community College, *Wilkesboro*.

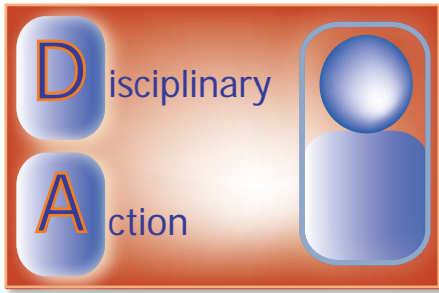
#### ■ Instructor

■ Oscar M. Agurs, *Charlotte*; ■ Barbara L. Crites, *Kill Devil Hills*; ■ Matthew W. Davies, *Hillsborough*; ■ Terry E. Farr, Sr., *Fayetteville*; ■ William H. Gallagher, II, *Charlotte*; ■ Corean E. Hamlin, *Asheville*; ■ Diana Quick Lambeth, *Belhaven*; ■ Dwight W. Lawing, Jr., *Parkton*; ■ Joseph D. Moore, Jr., *Greensboro*; ■ George B. Perry, *Wilmington*; ■ Samuel C. Pyrtle, *Raleigh*; ■ Anne Rasheed, *Boone*; ■ Tim R. Terry, *Charlotte*; ■ John J. Weeks, *Stanfield*; ■ Terry M. Wilson, *Davidson*; ■ Ben C. Wirtz, *Iron Station*.









*Penalties for violations of the Real Estate License 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.*

**CYNTHIA MARGET ARMOUR** (Raford) – The Commission revoked the broker license of Ms. Armour following a hearing and effective July 26, 2013. The Commission found that Ms. Armour failed, within a reasonable time, to account for or remit monies coming into her possession which belonged to others; failed to maintain and deposit in a trust or escrow account all money received by her as a real estate licensee; failed to properly maintain trust account records sufficient to identify the ownership of all funds belonging to others; failed to retain records of all transactions conducted in her capacity as a real estate broker; and failed to designate a broker to serve as broker-in-charge of her sole proprietorship before it began conducting business.

**ATM PROPERTY MANAGEMENT** (New Bern) - By Consent, the Commission revoked the firm license of ATM Property Management effective August 1, 2013. The Commission then reduced the revocation to a two-year stayed suspension on certain conditions. The Commission found that the qualifying broker and broker-in-charge of ATM Property Management failed to reconcile its trust accounts for approximately one year; failed to abide by the Real Estate License Law and Commission rules for trust account recordkeeping by not maintaining an accurate accounting of trust account liabilities; and failed to fund the account for tenant security deposits due to circumstances beyond its control. The Commission noted that ATM Property Management has repaid all monies owing to the tenant security deposit account and the trust accounts are in substantial compliance with the Real Estate License Law and Commission rules.

**LOUIS B. BALDWIN, JR.** (Winston-Salem) – By Consent, the Commission suspended the broker license of Mr. Baldwin for a period of one year effective August 1, 2013. The Commission then stayed the suspension for a probationary period through and including July 31, 2015. The Commission found that Mr. Baldwin, acting as owner, qualifying broker, and broker-in-charge of a real estate brokerage firm, failed to supervise a bookkeeper in a branch office of the firm who inadvertently used monies held in trust on behalf of landlord clients and their tenants, to pay operating expenses of the firm between 2008 and 2010, and failed to adequately review the trust account records, and therefore did not discover the problem. The Commission noted that Mr.

Baldwin has fully funded the trust accounts, no consumers were harmed, and Mr. Baldwin has hired a CPA to perform monthly reconciliations of the trust accounts.

**TERRY K. BARBOUR** (Atlantic Beach) – By Consent, the Commission suspended the broker license of Mr. Barbour for a period of one year effective February 1, 2013. The Commission found that Mr. Barbour engaged in homeowner



association and property management through a firm with which he was not affiliated and then later through his own sole proprietorship where he failed to designate himself as broker-in-charge, failed to obtain written property management agreements, and failed to establish trust accounts. The Commission also found that Mr. Barbour admitted to having converted to his personal use at least eight time share exchange weeks that belonged to other individuals and the homeowner's association for which he was the manager.

**BEAUFORT REALTY, INC.** (Beaufort) - By Consent, the Commission reprimanded Beaufort Realty effective April 1, 2013. The Commission found that Beaufort Realty's trust account records were not in compliance in that trial balances and reconciliations were not regularly performed, and journals and ledgers did not balance with bank statements.

**GODFREY GRAY BELL** (Greenville) – By Consent, the Commission suspended the broker license of Mr. Bell for a period of four years effective June 1, 2013. One year of the suspension is active with the remainder stayed effective June 1,

2014 under certain conditions. The Commission found that Mr. Bell in 2011 pled guilty to misdemeanor larceny and was ordered to surrender his insurance broker's license and that Mr. Bell failed to disclose his conviction and disciplinary action within the 60 days permitted by Commission rule.

**KELVIN A. BELL** (Durham) - The Commission found that after revoking Mr. Bell's license in 2007, he continued to engage in real estate brokerage. The Wake County District Attorney's Office, with the cooperation of the Commission, prosecuted Mr. Bell criminally for unlicensed brokerage activity. Mr. Bell pled guilty to a misdemeanor and was placed on unsupervised probation. Despite his criminal conviction, the Commission found that Mr. Bell continued his unlicensed brokerage activity and brought a civil action for injunctive relief against Mr. Bell to discontinue his unlicensed brokerage activity. A Wake County Superior Court entered an Order and Permanent Injunction against Mr. Bell.

**TONYA W. BELL** (New Bern) – By Consent, the Commission revoked the broker license of Ms. Bell effective August 1, 2013. The Commission then reduced the revocation to a two-year stayed suspension on certain conditions. The Commission found that Ms. Bell, acting as broker-in-charge of a property management firm, failed to reconcile her trust accounts for approximately one year; failed to abide by the Real Estate License Law and Commission rules for trust account recordkeeping by not maintaining an accurate accounting of trust account liabilities; and failed to fund the account for tenant security deposits due to circumstances beyond her control. The Commission noted that Ms. Bell has repaid all monies owing to the tenant security deposit account and the trust accounts are in substantial compliance with the Real Estate License Law and Commission rules. The Commission further noted that Ms. Bell had completed the 12-hour Broker-in-Charge Course.

**BRYANT H. BRANTLEY** (Mount Airy) – By Consent, the Commission reprimanded Mr. Brantley effective November 1, 2013. The Commission found that Mr. Brantley, acting as broker-in-charge and qualifying broker of a real estate brokerage firm, was responsible for super-

*(Continued)*



## Licensees Must Report Convictions

Commission Rule A.0113 requires any licensee who is convicted of a misdemeanor or felony or who has disciplinary action taken against him or her by any occupational licensing board to file a report with the Real Estate Commission.

The reporting requirement includes convictions for driving while impaired ("DWI"). The report must be filed within sixty (60) days of the final judgment or board action.

If you have questions about this rule, please call the Commission's Legal Division at 919-875-3700 for more information.

vising a provisional broker who failed to record all information on a HUD-1 statement.

**TERESA L. BROCK** (Charlotte) – By Consent, the Commission suspended the broker license of Ms. Brock for a period of six months effective October 1, 2013. The Commission then stayed the suspension for a probationary period of six months. The Commission found that Ms. Brock, acting as broker-in-charge and qualifying broker of a real estate brokerage firm, provided property management services to clients but failed to maintain trust account records in compliance with the Real Estate License Law and Commission rules. The Commission noted there was no evidence that client funds were misappropriated or missing and Ms. Brock has completed the 12-hour broker-in-charge course.

**JOSEPH JAMES BURKE** (Clayton) – By Consent, the Commission suspended the pre-licensing, postlicensing, mandatory continuing education (*Update Course* and *Broker-in-Charge Annual Review*), and elective course instructor approval for a period of one year effective July 1, 2013. The Commission then stayed the suspension for a probationary period through and including June 30, 2015. The Commission found that Mr. Burke, who is also a licensed real estate broker, made inappropriate comments during an *Update Course* class that were offensive to some members of the class.

**CALLOWAY HOMES, INC.** (Pineville) – The Commission accepted the permanent voluntary surrender of the firm license of Calloway Homes effective October 10, 2013. The Commission dismissed without prejudice allegations that Calloway Homes violated provisions of the

Real Estate License Law and Commission rules. Calloway Homes neither admitted nor denied misconduct.

**LUCINDA D. CARTER** (Asheville) – The Commission suspended the broker license of Ms. Carter for a period of three years effective January 19, 2011. Two years of the suspension were active with the remainder stayed for a probationary period of one year under certain conditions. The Commission found that Ms. Carter acted as agent for the owner/landlord of a rental property and received from tenants all the rents and security deposits for the property, but failed to obtain a management agreement in writing for brokerage services between herself and the owner/landlord, failed to identify a bank account jointly controlled with the owner/landlord as a trust account, and failed to properly account for the funds in the account. The Commission finally found that Ms. Carter failed to retain transaction records and failed to produce documents for inspection by the Commission staff. Ms. Carter appealed the Commission final decision to Superior Court in Madison County. On April 25, 2013, the Commission's decision was affirmed by the court.

**NEVILLE EVANSON CHARLES** (Elon) – The Commission revoked the broker license of Mr. Charles effective August 23, 2013 following a hearing. The Commission found that Mr. Charles, who managed eight rental units, failed to maintain compliant trust account records, failed to readily identify and safeguard client funds, and spent client funds for personal expenses.

**FRANCINE LEE CHRISTIANO** (Wilmington) – By Consent, the Commission suspended the broker license of Ms. Christiano for a period of two years effective December 1, 2012. Four months of the suspension were active with the remainder stayed for a probationary period ending December 1, 2014. The Commission found that Ms. Christiano, acting as a provisional broker and buyer's agent for a client, entered into an oral agreement to manage property for the buyer without informing her broker-in-charge. The Commission also found that Ms. Christiano negotiated a lease and collected a \$650 tenant security deposit that she forwarded to the owner and three \$650 rental payments, which she deposited into her own personal checking account. The Commission noted that Ms. Christiano later paid the the money to the firm, who reimbursed the property owner.

**GWEN LEE CHUBIRKO** (Kannapolis) – By Consent, the Commission suspended the broker license of Ms. Chubirko for a period of two years effective June 1, 2013. The Commission then stayed the suspension for a probationary period ending May 31, 2018. The Commission found that Ms. Chubirko signed certain documents that were filed in the local Register of Deeds' office that related to her own properties

and were designed to circumvent the collection of valid debt.

**BERNARD JONATHAN COLLIER** (Fayetteville) – By Consent, the Commission revoked the broker license of Mr. Collier effective August 8, 2013. The Commission found that Mr. Collier failed to account for owner funds to an owner client, who then terminated her property management agreement with Mr. Collier and requested the security deposit collected by Mr. Collier be sent to the new property manager for the owner. The Commission also found that Mr. Collier failed to turn over the tenant security deposit or respond to the property owner and failed to respond to three Letters of Inquiry or emails from the Commission.

**CROSSROADSCAROLINAREALTY LLC** (Jacksonville) – The Commission accepted the permanent voluntary surrender of the firm license of CrossroadsCarolinaRealty LLC effective October 10, 2013. The Commission dismissed without prejudice allegations that CrossroadsCarolinaRealty LLC violated provisions of the Real Estate License Law and Commission rules. CrossroadsCarolinaRealty LLC neither admitted nor denied misconduct.

**JOSEPH C. CRUMPLER, SR.** (Indian Land, South Carolina) – By Consent, the Commission reprimanded Mr. Crumpler effective May 1, 2013. The Commission found that Mr. Crumpler, who conducts real estate brokerage in both North Carolina and South Carolina, owned and leased a residential home to a tenant who, upon termination of the lease, complained to the Commission that Mr. Crumpler's itemizations and deductions from the Tenant Security Depos-

(Continued)

Your Pocket License Card  
is your ticket for admission  
to Continuing Education classes.  
Allow at least 10 days to  
process a replacement request  
or  
purchase and download  
a replacement immediately  
from the Commission's Web site.

it was incorrect and that the matter was resolved through the South Carolina judicial system.

**JOHN N. DUNCAN, III** (Beaufort) – By Consent, the Commission reprimanded Mr. Duncan effective April 1, 2013. The Commission found that Mr. Duncan's trust account records were not in compliance in that trial balances and reconciliations were performed infrequently, and journals and ledgers did not balance with bank statements.

**EGENESIS REALTY EXECUTIVES, INC.** (Fayetteville) – By Consent, the Commission revoked the firm license of Egenesis Realty Executives effective August 8, 2013. The Commission found that Egenesis Realty Executives failed to account for owner funds to an owner client, who then terminated her property management agreement with Egenesis Realty Executives and requested the security deposit collected by Egenesis Realty Executives be sent to the new property manager for the owner. The Commission also found that Egenesis Realty Executives failed to turn over the tenant security deposit or respond to the property owner and failed to respond to three Letters of Inquiry or emails from the Commission.

**FIRST PROPERTIES OF THE CAROLINAS, INC.** (Charlotte) – By Consent, the Commission permanently revoked the firm license of First Properties of the Carolinas effective May 1, 2013. The Commission then amended the revocation and instead imposed a one-month stayed suspension of the firm's license subject to certain conditions, which if violated, would result in the revocation of the firm's license. The Commission found that First Properties of the Carolinas, a property management firm, allowed its broker-in-charge to embezzle nearly \$100,000 of client funds in trust accounts, which funds have since been repaid in full. The Commission also found that First Properties of the Carolinas facilitated the loss of client funds by its failure to ensure the maintenance of trust account records in compliance with the Real Estate License Law and Commission rules.

**MICHELLE WITHROW FOX** (Clayton) – By Consent, the Commission reprimanded Ms. Fox effective October 1, 2013. The Commission found that Ms. Fox, acting as broker-in-charge and qualifying broker of a property management firm, began managing property on behalf of a landlord client and failed to create an addendum to the lease agreement and to maintain a photographic record of the rental property's condition as promised to the landlord client. The Commission also found that Ms. Fox charged the client a 10% service fee for any services procured on the client's behalf, but failed to clearly provide for such a fee in the management agreement. The Commission noted that Ms. Fox has revised the firm's agreements to accurately reflect all fees; that Ms. Fox has eliminated a lease provision contrary to the Tenant Security

Act; and that Ms. Fox has resolved inaccuracies in the firm's trust records and accounts.

**FOX RENTAL MANAGEMENT ASSOCIATES LLC** (Clayton) – By Consent, the Commission reprimanded Fox Rental Management effective October 1, 2013. The Commission found that Fox Rental Management began managing property on behalf of a landlord client and failed to create an addendum to the lease agreement and to maintain a photographic record of the rental property's condition as promised to the landlord client. The Commission also found that Fox Rental Management charged the client a 10% service

## Receive Credit Where and When Credit is Due!

When continuing education sponsors fail to report credits to the Commission in a timely manner, licensees may find themselves on Inactive Status on July 1.

You can avoid this problem by going online to the Commission Web site, [www.ncrec.gov](http://www.ncrec.gov), to verify your CE credits.

fee for any services procured on the client's behalf, but failed to clearly provide for such a fee in the management agreement. The Commission noted that Fox Rental Management has revised the firm's agreements to accurately reflect all fees; that Fox Rental Management has eliminated a lease provision contrary to the Tenant Security Act; and that Fox Rental Management has resolved inaccuracies in the firm's trust records and accounts.

**PAULA L. K. GARCIA** (Fayetteville) – By Consent, the Commission suspended the broker license of Ms. Garcia for a period of one year effective July 1, 2013. The Commission then stayed the suspension for a probationary period ending June 30, 2015. The Commission found that Ms. Garcia, who conducted property management as a sole proprietor, failed to obtain a firm license after forming her LLC and declaring herself broker-in-charge in 2008. The Commission also found that Ms. Garcia hired an accountant in 2012 to reconstruct her firm's two trust accounts following a computer malfunction in 2009. The accountant found a \$120,200 shortage in the tenant security deposit account, but was unable to reconstruct the second escrow account. The Commission noted that Ms. Garcia deposited \$120,200 to fully fund the tenant security deposit.

**BARBARA HUMPHREY GARRETT** (Jack-sonville) – The Commission accepted the perma-

nent voluntary surrender of the broker license of Ms. Garrett effective October 10, 2013. The Commission dismissed without prejudice allegations that Ms. Garrett violated provisions of the Real Estate License Law and Commission rules. Ms. Garrett neither admitted nor denied misconduct.

**GRAHAM GROUP REAL ESTATE & ASSOCIATES, INC.** (Durham) – By Consent, the Commission revoked the firm license of Graham Group Real Estate & Associates effective October 10, 2013. The Commission found that Graham Group Real Estate & Associates misappropriated tenant security deposits and no longer has said deposits on hand. The Commission noted that, although the firm is more than \$30,000 short in deposits that should be on hand, the firm has been making efforts to reimburse all clients at the time tenants relinquish the property.

**REGINA GRIFFIN** (Raleigh) – By Consent, the Commission revoked the broker license of Ms. Griffin effective September 1, 2013. The Commission found that Ms. Griffin, who resided in Raleigh, owned a house in Rocky Mount which she rented and, after missing payments on the property's mortgage, obtained state and federal housing assistance from the North Carolina Housing Finance Agency for which Ms. Griffin qualified only by intentionally misrepresenting to the lender that she was owner-occupying the home.

**JEFFREY BLAKE HAGERTY** (Pineville) – The Commission accepted the voluntary surrender of the broker license of Mr. Hagerty for a period of two years effective September 4, 2013. The Commission dismissed without prejudice allegations that Mr. Hagerty violated provisions of the Real Estate License Law and Commission rules. Mr. Hagerty neither admitted nor denied misconduct.

**VIOLET LOCKE HARRINGTON** (Durham) – By Consent, the Commission suspended the broker license and the preclicensing, postlicensing, and continuing education instructor approval of Ms. Harrington for 18 months effective May 13, 2013. Two months of the suspension were active with the remainder stayed, and Ms. Harrington's broker license, but not her instructor approvals, was placed on probation through and including November 13, 2014. The Commission found that Ms. Harrington, qualifying broker and broker-in-charge of a real estate brokerage firm, provided property management services to landlord clients and failed to keep certain money belonging to the clients and tenants in trust accounts controlled by the brokerage firm. The Commission also found that Ms. Harrington allowed some trust money to be under the dominion and control of an unlicensed person and firm, and failed to supervise the firm's trust account as required as a broker-in-charge.

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**MARK B. HEIZER** (Carrboro) – By Consent, the Commission reprimanded Mr. Heizer effective April 24, 2013. The Commission found that Mr. Heizer, acting as qualifying broker and broker-in-charge of a property management firm, instituted summary ejectment proceedings against a tenant who stopped payment on a rental check, but failed to follow statutory requirements in disposing of the former tenants' abandoned property. The Commission noted that following the statutory procedures would have only slightly affected the disposition of the property in this case.

**CHIQUITA HOLMES** (Raleigh) – By Consent, the Commission revoked the broker license of Ms. Holmes effective October 10, 2013. The Commission found that Ms. Holmes, qualifying broker and broker-in-charge of a real estate brokerage firm which provided property management services, failed to supervise an associated provisional broker who conducted the firm's business and to oversee the trust account bookkeeping, thus allowing the firm to engage in deficit spending, or accumulate a shortage in both rental and tenant security deposit accounts totaling nearly \$100,000.

**KIM GROOMS KEATON** (Greensboro) – The Commission accepted the voluntary surrender of the broker license of Ms. Keaton for a period of two years effective October 10, 2013. The Commission dismissed without prejudice allegations that Ms. Keaton violated provisions of the Real Estate License Law and Commission rules. Ms. Keaton neither admitted nor denied misconduct.

**JAMES R. KLUTH** (Charlotte) – By Consent, the Commission reprimanded Mr. Kluth effective October 1, 2013. The Commission found that Mr. Kluth, qualifying broker of a real estate brokerage firm, acting as listing agent in a transaction, was made aware of unspecified "structural issues" disclosed in an inspector's report, but failed to disclose their existence to a subsequent buyer. The Commission noted that after the subsequent buyer hired a structural engineer and inspector who discovered the structural issues, the necessary repairs were successfully completed at the seller's expense and the transaction closed.

**MICHAEL DONALD LACHAPPELLE** (Charlotte) – The Commission accepted the permanent voluntary surrender of the broker license of Mr. LaChapelle effective July 15, 2013. The Commission dismissed without prejudice allegations that Mr. LaChapelle violated provisions of the Real Estate License Law and Commission rules. Mr. LaChapelle neither admitted nor denied misconduct.

**LAKE NORMAN CORNELIUS NC LLC** (Cornelius) – By Consent, the Commission reprimanded Lake Norman Cornelius NC effective August 8, 2013. The Commission found that a provisional broker associated with Lake Norman

Cornelius NC hired a contractor to perform work on bank-owned properties listed by the firm and represented that the contractor had been paid when it had not, and that the provisional broker, instead of paying the contractor's invoices with the monies she received as reimbursement from the firm's clients, converted the funds to her own personal use. The Commission also found that Lake Norman Cornelius NC failed to properly maintain or account for funds that came into its possession and released funds to the provisional broker in violation of the Real Estate Law and

## Commission Speakers Available

Real Estate Commission staff members are available to speak to your local board, office, or special group. You can request a presentation relating to a specific subject or a general discussion on topics of interest to those attending.

To schedule a speaker, call Janet Thoren at (919) 875-3700, Ext. 136. Please allow at least four weeks prior to your group's meeting.

Commission rules.

**LUXOR PROPERTIES** (Charlotte) – By Consent, the Commission revoked the firm license of Luxor Properties effective October 10, 2013. The Commission found that Luxor Properties, a real estate brokerage firm which provided property management services, engaged in deficit spending since its licensing on July 25, 2012, and accumulated a shortage in both rental and tenant security deposit accounts totaling nearly \$100,000.

**LYRUBEC PROPERTIES LLC** (Charlotte) – By Consent, the Commission reprimanded Lyrubec Properties effective May 1, 2013. The Commission found that the broker-in-charge of Lyrubec Properties, a property management firm, failed to properly supervise a broker associated with the firm; that a trust account audit of the firm's records revealed that the firm's trust account records were not maintained in compliance with Commission rules.

**MAINSTREET HOMES LLC** (Charlotte) – By Consent, the Commission revoked the firm license of MainStreet Homes effective August 8, 2013. The Commission found that Mainstreet Homes sought out property owners who were in financial distress and entered into leases with options to purchase their property; that Mainstreet Homes managed the properties and collected fees; and that Mainstreet Homes paid unlicensed per-

sons compensation for producing buyers for these transactions.

**IQRAA TAALIB DIN MADYUN** (Charlotte) – By Consent, the Commission suspended the broker license of Mr. Madyun for a period of nine months effective May 1, 2013. The Commission found that Mr. Madyun, acting as broker-in-charge of a property management firm, failed to properly supervise a broker associated with the firm; that a trust account audit of the firm's records revealed that checks for the firm's rental account were not designated trust or escrow; that Mr. Madyun and the broker associate failed to maintain duplicate copies of deposit slips for the maintenance account and the account did not balance; and Mr. Madyun and the broker associate engaged in deficit spending.

**CURT STEVEN MCVEY** (Graham) – By Consent, the Commission suspended the broker license of Mr. McVey for a period of six months effective June 1, 2013. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Mr. McVey, acting as broker-in-charge and qualifying broker of a real estate brokerage firm, failed to properly supervise an unlicensed employee who converted in excess of \$50,000 from trust accounts maintained by Mr. McVey.

**MARYROSE HASROUNI MESROPIAN** (Charlotte) – By Consent, the Commission suspended the broker license of Ms. Mesropian for a period of two years effective April 1, 2013. The Commission found that Ms. Mesropian, acting as a provisional broker, contracted in February 2010 to sell a property to buyers who lived out-of-state and frequently worked out of the country, but failed to make any disclosures about the property; that after the buyers purchased the property, Ms. Mesropian managed the property but failed to enter into a written property management agreement; that Ms. Mesropian received \$5,000 from the buyers to make repairs, but failed to make an accounting of how the funds were spent; that Ms. Mesropian failed to deposit the tenant security deposit and rental proceeds in a trust account; that after Ms. Mesropian placed a tenant in the property, the tenant filed a complaint about the state of the house with the city's code enforcement board; and that, in October 2010, the City of Charlotte ordered the property to be condemned.

**N. H. MILLINGTON AND CO., LLC** (Elon) – The Commission revoked the firm license of N. H. Millington and Co. effective August 23, 2013 following a hearing. The Commission found that N. H. Millington and Co., which managed eight rental units, failed to maintain compliant trust account records, failed to readily identify and safeguard client funds, and spent client funds for personal expenses.

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**CYNTHIA NIQUIPORO** (Fayetteville) – By Consent, the Commission permanently revoked the broker license of Ms. Niquiporo effective August 8, 2013. The Commission found that Ms. Niquiporo placed a tenant in a client's home but failed to enter into a written management agreement with the owners; that when the tenant failed to pay the first month's rent, Ms. Niquiporo told the owners that she had evicted the tenant when she had not done so and instead allowed an additional tenant to occupy the home; that neighbors informed the owners that there were multiple tenants occupying the home; that Ms. Niquiporo had not forwarded any of the \$4,000 in rental proceeds collected to the owner; and that Ms. Niquiporo failed to deposit funds in a trust account, have a licensed real estate firm through which she managed the property, or retain any records of her real estate transactions. The Commission also found that Ms. Niquiporo occupied a vacant home owned by another without entering into a lease agreement and without paying any rental proceeds.

**NORTHSIDE REALTY, LLC** (Mount Airy) – The Commission accepted the voluntary surrender of the firm license of Northside Realty effective October 10, 2013. The Commission dismissed without prejudice allegations that Northside Realty violated provisions of the Real Estate License Law and Commission rules. Northside Realty neither admitted nor denied misconduct.

**HOLLY PASUT** (Charlotte) – The Commission accepted the permanent voluntary surrender of the broker license of Ms. Pasut effective October 1, 2013. The Commission dismissed without prejudice allegations that Ms. Pasut violated provisions of the Real Estate License Law and Commission rules. Ms. Pasut neither admitted nor denied misconduct.

**PHELCO PROPERTIES, INC.** (Mooresville) – By Consent, the Commission revoked the firm license of Phelco Properties, Inc. effective May 8, 2013. The Commission found that the owner and broker-in-charge of Phelco Properties, which was primarily engaged in vacation rental management, sold the rental agreements, trust accounts, and other business assets belonging to Phelco Properties to several unlicensed individuals. The Commission also found that Phelco Properties had a \$16,000 - \$18,000 shortage in the firm's trust account as of August 2011 when the business assets were sold to the unlicensed individuals.

**GARY L. PHELPS** (Mooresville) – By Consent, the Commission revoked the broker license of Mr. Phelps effective May 8, 2013. The Commission found that Mr. Phelps, primarily engaged in vacation rental management and as broker-in-charge of his own licensed real estate brokerage firm, sold his firm to several unlicensed individuals and together they formed a new unlicensed firm. The Commission also found that Mr. Phelps failed to perform the broker-in-charge duties as agreed

and instead allowed his unlicensed co-owners to engage in vacation rental management since August 2011 and that Mr. Phelps admitted that he had a \$16,000-\$18,000 shortage in his trust account as of August 2011 when he transferred the money to the unlicensed firm.

**KALISHA MONIQUE REED** (Raleigh) – By Consent, the Commission suspended the broker license of Ms. Reed for a period of one year effective July 1, 2013. The Commission then stayed the suspension for a probationary period ending June 30, 2014. The Commission found

## Watch for Emails From the Commission

The Commission is using emails with increasing frequency to communicate important information to brokers and brokers-in-charge.

Be alert for messages from the Commission in your inbox. They will always be identified as coming from the North Carolina Real Estate Commission.

that Ms. Reed, broker-in-charge of a property management firm, and a provisional broker under the supervision of Ms. Reed, failed to remit rental proceeds and tenant security deposits or provide an accounting for the funds in a timely manner to their landlord client for whom they had managed 70 properties. The Commission also found that Ms. Reed failed to maintain trust accounts in accordance with Commission rules and failed to properly supervise the provisional broker. The Commission noted that all documents and funds have been remitted to the landlord client.

**RENT PURCHASE.COM, INC.** (Pineville) – The Commission accepted the permanent voluntary surrender of the firm license of Rent Purchase.com effective October 10, 2013. The Commission dismissed without prejudice allegations that Rent Purchase.com violated provisions of the Real Estate License Law and Commission rules. Rent Purchase.com neither admitted nor denied misconduct.

**GWENDOLYN L. ROBERTS** (Charlotte) – By Consent, the Commission reprimanded Ms. Roberts effective July 1, 2013. The Commission found that Ms. Roberts, engaged in the property management business as broker-in-charge of her own sole proprietorship, managed one rental property without entering into a written property management agreement and 13 additional properties without a trust account. The Commission also found that Ms. Roberts deposited rents directly into the owners' bank accounts and collected a \$650 tenant security deposit that she deposited into the owner's account. The Commission noted that Ms. Roberts did refund the tenant security deposit out of her own funds.

**JUSTIN MICHAEL SANTINI** (Charlotte) – By Consent, the Commission revoked the broker license of Mr. Santini effective November 1, 2013. The Commission found that Mr. Santini, owner of a real estate brokerage firm which provided property management services, failed to maintain the firm's trust account records, thus allowing the firm to engage in deficit spending and accumulate a shortage in both rental and tenant security deposit accounts in excess of \$75,000. The Commission noted that Mr. Santini advised the Commission that the trust accounts were to be fully funded in October.

**RICHARD SCHWARTZ** (Pineville) – The Commission accepted the permanent voluntary surrender of the broker license of Mr. Schwartz effective October 10, 2013. The Commission dismissed without prejudice allegations that Mr. Schwartz violated provisions of the Real Estate License Law and Commission rules. Mr. Schwartz neither admitted nor denied misconduct.

**ELIZABETH J. SLADOJE** (Charlotte) – By Consent, the Commission reprimanded Ms. Sladoje effective October 1, 2013. The Commission found that Ms. Sladoje, broker-in-charge of her own sole proprietorship, had operated an unlicensed real estate firm since 2005. The Commission also found that Ms. Sladoje listed a home for sale and, based on representations by the absent seller, advertised that the property was serviced by municipal water and sewer services without verifying this information; that, in fact, the property was serviced by a septic system; and that the buyer who purchased the property had to pay to connect to municipal sewer services.

**JULIE EDWARDS VAN SLAMBROOK** (Charlotte) – By Consent, the Commission revoked the broker license of Ms. Van Slambrook effective May 1, 2013. The Commission found that Ms. Van Slambrook, as bookkeeper and broker-in-charge of a property management firm, embezzled over the last two years or more nearly \$100,000 of client funds held in trust at the firm and that Ms. Van Slambrook's conversion of client funds was facilitated by her failure to maintain trust records in compliance with the Real Estate License Law and Commission rules.

**ERIC P. SMART** (Charlotte) – The Commission accepted the voluntary surrender of the broker license of Mr. Smart for a period of five years effective August 8, 2013. The Commission dismissed without prejudice allegations that Mr. Smart violated provisions of the Real Estate License Law and Commission rules. Mr. Smart neither admitted nor denied misconduct.

**CARMEN SHOCKLEY SMITH** (Mount Airy) – The Commission accepted the voluntary surrender of the broker license of Ms. Smith for a period of two years effective October 10, 2013. The Commission dismissed without prejudice allegations that Ms. Smith violated provisions of the Real Estate License Law and Commission rules. Ms. Smith neither admitted nor denied misconduct.

*(Continued)*

**SOUTHEASTERN PROPERTY MANAGEMENT, INC.** (Reidsville) – By Consent, the Commission revoked the firm license of Southeastern Property Management effective October 10, 2013. The Commission found that Southeastern Property Management’s trust account records revealed a shortage of \$35,000. The Commission also found that Southeastern Property Management failed to comply with a Commission Consent Order dated November 14, 2012, requiring, among other conditions, that the firm prohibit Gloyd “Sonny” Vestal from having signatory or other authority to withdraw or manage funds of any trust account held or maintained by the firm and that numerous times since the issuance of the Consent Order, Gloyd “Sonny” Vestal has electronically transferred funds from an account managed by the firm and has had signatory authority over one or more accounts maintained by the firm.

**TONYA WHITLEY STOTT** (Grimesland) – By Consent, the Commission revoked the broker license of Ms. Stott effective April 24, 2013. The Commission found that Ms. Stott leased her home to a tenant who paid her a \$1,500 tenant security deposit, but after selling the home, Ms. Stott failed to transfer the tenant security deposit to the new owner or refund it to the tenant or otherwise account for the deposit and, thus, failed to comply with the Tenant Security Deposit Act.

**SUN REALTY OF NAGS HEAD, INC. d/b/a THE OUTER BANKS SCHOOL OF REAL ESTATE** (Nags Head) – By Consent, the Commission reprimanded Sun Realty of Nags Head effective October 10, 2013. The Commission found that Sun Realty of Nags Head, an approved real estate school, permitted an unlicensed student to register for and attend the 301 postlicensing course, failed to enter into an enrollment contract with the student, failed to produce the enrollment contract when requested to do so by Commission staff, and failed to submit to the Commission within seven calendar days following the course a report verifying the student’s completion of the course. The Commission also found that Sun Realty of Nags Head failed to have procedures in place sufficient to prevent such conduct by the director or to preserve the required records. The Commission noted that Sun Nags Realty of Nags Head has replaced the school director and has taken steps to correct the situation so that the events described do not repeat themselves.

**THE MCVEY COMPANY, INC.** (Graham) – By Consent, the Commission suspended the firm license of The McVey Company for a period of six months effective June 1, 2013. The Commission then stayed the suspension for a probationary period of one year. The Commission found that The McVey Company’s broker-in-charge and qualifying broker employed, but did not properly supervise, a former unlicensed employee who converted in excess of \$50,000 from trust accounts maintained by the firm. The Commission noted that the broker-in-charge and qualifying broker voluntarily informed the Commission of the situation.

**VESTAL PROPERTY MANAGEMENT, INC.** (Greensboro) – By Consent, the Com-

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mission revoked the firm license of Vestal Property Management effective October 10, 2013. The Commission found that Vestal Property Management’s trust account records revealed a shortage of more than \$57,000 as of May 31, 2013. The Commission also found that Vestal Property Management failed to comply with a Commission Consent Order dated November 14, 2012, requiring, among other conditions, that the firm prohibit Gloyd “Sonny” Vestal from having signatory or other authority to withdraw or manage funds of any trust account held or maintained by the firm and that numerous times since the issuance of the Consent Order, Gloyd “Sonny” Vestal has electronically transferred funds from an account managed by the firm and has had signatory authority over one or more accounts maintained by the firm.

**W. F. BALDWIN & SON, INC.** (Winston-Salem) – By Consent, the Commission suspended the firm license of W. F. Baldwin & Son for a period of three years effective August 1, 2013. The Commission then stayed the suspension for a probationary period of five years effective August 1, 2013. The Commission found that between 2008 and 2010 W. F. Baldwin & Son, a real estate brokerage and property management firm, failed to safeguard the funds held on behalf of landlord clients and their tenants by using the funds to pay operating expenses of the firm including bank fees.

**TERASHA MARIE WEATHERSBE** (Raleigh) - By Consent, the Commission suspended the broker license of Ms. Weathersbe for a period of three years effective July 1, 2013. One year of the suspension is active with the remainder stayed on certain conditions for a probationary period extending until July 1, 2016. The Commission found that Ms. Weathersbe, a provisional broker, was engaged in property management under the supervision of the broker-in-charge of a real estate brokerage firm; that Ms. Weathersbe and her BIC entered into an agreement to manage 70 properties; that Ms. Weathersbe failed to remit rental proceeds and tenant security deposits or provide an accounting for the funds in a timely manner to her landlord client. The Commission also found that Ms. Weathersbe failed to deposit a \$4,000 cash rental payment to the trust account. The Commission noted that Ms. Weathersbe and her BIC replaced the funds.

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