



**NORTH CAROLINA
REAL ESTATE LICENSING BOARD**

Real Estate Bulletin

Volume 10

1980

Number 3

New Board Members

Governor James B. Hunt, Jr. has appointed Mr. B. Hunt Baxter, Jr. of New Bern, Mr. James A. Beaty, Jr. of Winston-Salem, and Mr. B. T. (Bart) Bryson of Hendersonville to the North Carolina Real Estate Licensing Board for terms expiring July 31, 1982. (The membership of the Licensing Board was increased from five to seven members by the 1979 Session of the General Assembly.)



B. Hunt Baxter, Jr.

Mr. Baxter is an attorney and partner in the New Bern law firm of Henderson and Baxter.

A native of New Bern, Mr. Baxter attended the University of North Carolina-Chapel Hill graduating in 1966. He then obtained a Master of Business Administration degree from East Carolina University in 1969, and returning to Chapel Hill, received his J.D. Degree from the University of North Carolina School of Law in 1971. He was admitted to the North Carolina Bar that year.

In addition to his legal practice, Mr. Baxter is currently serving as Public Administrator of Craven County and is also on the faculty of Craven Community College as a Professor of Business. His memberships include the N.C. Academy of Trial Lawyers, the Craven County Bar Association, the N.C. and American Bar Associations, and the Order of the Elks.

He is married to the former Sallie E. Hume of Stanford, Kentucky. □



James A. Beaty, Jr.

Mr. Beaty is an attorney and partner in the law firm of Beaty and Friende in Winston-Salem. He was formerly in partnership with Judge Richard C. Erwin who is now serving on the N. C. Court of Appeals.

Mr. Beaty is a 1971 graduate of Western Carolina University where he played on their football team. He then entered the University of North Carolina School of Law receiving his J.D. Degree in 1974.

A member of the N.C. Bar and the Forsyth County and North Carolina Bar Associations, he is also currently serving as First Vice-President of the N.C. Association of Black Lawyers. Active in civic affairs, Mr. Beaty is President of the Forsyth County Young Democrats Club, a member of the Board of Big Brothers and Big Sisters, and a member of the Advisory Council of the Salvation Army Girls Club.

Mr. Beaty is married to the former Toyoko Townsend of Fayetteville, and they have a son, Eli. □



Bart Bryson

As owner of Bryson Realty Company, REALTORS in Hendersonville, Mr. Bryson brings to the Licensing Board extensive knowledge and experience in the areas of both real estate appraising and brokerage.

He is a member of the American Institute of Real Estate Appraisers (MAI), a member and Past President of Chapter No. 184 of the Society of Real Estate Appraisers (SREA), a Graduate of the REALTORS' Institute (GRI), a Past President of the Hendersonville Board of REALTORS, and recipient of the Region 7 REALTOR-of-the-Year Service Award.

A graduate of Western Carolina University, Mr. Bryson has taught courses in real estate appraising and brokerage at Western Carolina University, Blue Ridge Technical Institute, Southwestern Technical Institute, and the REALTORS' Institute in Chapel Hill, and is certified as a Real Estate Instructor by the Licensing Board.

Mr. Bryson is married to the former Joyce Bradley, and they have a son, Byron. □

REAL ESTATE BULLETIN

Published quarterly as a service to real estate licensees to promote a better understanding of the Real Estate Licensing Law, Rules and Regulations, and proficiency in ethical 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 **North Carolina Real Estate Licensing Board Real Estate Bulletin**.

NORTH CAROLINA REAL ESTATE LICENSING BOARD

1200 Navaho Dr.
Raleigh, North Carolina 27619
James B. Hunt, Jr., Governor

BOARD MEMBERS

William C. Stokes Reidsville
Chrm.
Brantley T. Poole Raleigh
V. Chrm.
B. Hunt Baxter, Jr. New Bern
James A. Beaty, Jr. Winston-Salem
Bart Bryson Hendersonville
A. P. Carlton Greensboro
Dee McCandlish Charlotte

Blanton Little Sec'y Treas.
Phillip T. Fisher Admin. Asst.

From The Board Room

Board Members Honored

The National Association of Real Estate License Law Officials (NARELLO) recently honored Board Members Brantley Poole and A. P. Carlton at the Association's annual conference in San Antonio, Texas. Mr. Poole was re-elected to the Board of Directors of the Association and Mr. Carlton was reappointed to the NARELLO-Industry Liaison Committee.

Blanton Little, Secretary-Treasurer of the Board, was also named to serve another term on the Board of Directors of the Robert W. Semenov Foundation, and Board Attorney, Harry H. Harkins, Jr. was appointed to the Committee on Legal and Professional Conduct.

Revision of Webster Book

The Board recently contracted with two highly respected scholars for a major revision of the authoritative book **NORTH CAROLINA REAL ESTATE FOR BROKERS AND SALESMEN** by James A. Webster (copyright by the North Carolina Real Estate Licensing Board). The book will be revised by Dr. Bruce N. Wardrep, Assistant Professor of Real Estate, East Carolina University, and Patrick K. Hetrick, Associate Professor, Campbell University School of Law.

The revised edition should be on the market in early 1981.

New Offices

In November, the Licensing Board held its first meeting in its new offices at 1200 Navaho Dr., Raleigh, N.C. Licensees should make note of the new mailing address and telephone number when contacting the Board:

**P. O. Box 17100
Raleigh, N. C. 27619
Phone 919 / 872-3450**

REALTORS Convention

The members of the Licensing Board presented a program on "complaint procedures" at the North Carolina Association of REALTORS' Annual Convention in Asheville.

Board Member Dee McCandlish first briefed the REALTORS on the various duties and functions of the Licensing Board, and Board attorney, Harry H. Harkins, Jr., discussed the procedures followed by the Board in receiving, processing, and acting upon consumer complaints against licensed brokers and salesmen.

The Board then reviewed and took action on four actual complaints which it had received alleging violations of the License Law and/or the Board's Rules and Regulations. □

Education Comment

By
Larry A. Outlaw
Education Director

Since implementation of new regulations regarding real estate schools, courses and instructors on September 1, 1979, 83 North Carolina schools have been approved by the Board to conduct real estate pre-licensing courses during the 1979-80 academic year. Included in this number are 52 community colleges/technical institutes, 9 colleges/universities, 16 private real estate schools, 4 private business colleges, and 2 community schools (under local boards of education). With such a large number of schools participating in the pre-licensing education program, the availability of courses to the general public is excellent, especially through the community college system. The community colleges/technical institutes and colleges/universities are scattered throughout the state and offer primarily broker courses, while the private real estate schools and private

business colleges are concentrated in the larger cities/towns and offer primarily salesman courses.

Under the new standards for certification of pre-licensing course instructors, the Board has certified 190 instructors who have satisfied the Board's requirements as to their education and experience. The certification requirement has definitely resulted in an overall improvement in the level of real estate knowledge and competence possessed by pre-licensing course instructors.

Aside from the increase in the broker education requirement to 60 hours of instruction, perhaps the greatest accomplishment of the past year with respect to pre-licensing education has been the publication of a comprehensive course syllabus for use in pre-licensing courses. The syllabus has been well-received by

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EXAM RESULTS

EXAMINATION—July, 1979

	Passed	Failed
Brokers	1131	728
Salesmen	64	70

EXAMINATION—August, 1979

	Passed	Failed
Brokers	536	369
Salesmen	31	32

EXAMINATION—September, 1979

	Passed	Failed
Brokers	727	551
Salesmen	42	62

EXAMINATION—October, 1979

	Passed	Failed
Brokers	1016	853
Salesmen	73	83

EXAMINATION—November, 1979

	Passed	Failed
Brokers	211	239
Salesmen	105	67

Licensee Questionnaire Results

You will recall that a survey of licensees was conducted some months ago through the BULLETIN. Nearly 2,400 licensees responded to this survey. Responses were received from a very representative cross-section of the licensee population according to the amount of time respondents indicated they devoted to real estate practice: Approximately half indicated that they devote at least 40 hours per week; 35% use their licenses to some extent; and 17% indicated that they never used their licenses. The following is a summary of the results:

The Role of the Licensing Board

It would appear that nearly all licensees have copies of both the License Law and the Board's Rules and Regulations, and that they find these publications helpful in answering questions concerning their real estate practice. Approximately 1/3 of those responding also indicated that they have contacted the Board office for advice or information within the previous twelve months.

In response to the question of how the Licensing Board can help licensees to better serve real estate consumers, the most common answer was to increase licensing requirements (It should be noted that this survey was conducted prior to the increase in broker license requirements). Other frequent responses were to improve and expand educational programs, provide more information/guidance to licensees, and increase regulatory/disciplinary activities.

Real Estate Bulletin

As might be expected, virtually everyone indicated that they read the BULLETIN regularly. The subject areas which they find most interesting and informative include "law" (25%), "disciplinary actions" (22%), and "brokerage practices" (17%).

As to suggestions for improving the BULLETIN, the most common responses were (1) to expand coverage in general; (2) to expand coverage of brokerage practices, legal matters and

educational matters in that order; and (3) to publish the BULLETIN more often.

Education

In the area of pre-licensing education, almost 2/3 of the respondents rated their pre-licensing real estate courses and instructors as being "Good". Nevertheless, the Board is concerned that a substantial number of licensees were obviously less than fully satisfied with the quality of their pre-licensing education.

As for post-licensing (continuing) education, although 83% of those responding indicated that they are actively engaged in real estate practice to some extent, a substantial number (42%) stated that they have not furthered their real estate education in any way since being licensed. (Of those who have continued their real estate education, more indicated that they had done so through REALTORS' Institute courses (28%) and company "in-service" training programs (12%) than in any other manner.) Surprisingly, however, a substantial majority (73%) favor mandatory continuing education, and nearly everyone indicated that they would attend seminars or workshops sponsored by the Licensing Board.

Summary

Through this questionnaire, the Licensing Board has gained greater insight into your thoughts, ideas, and opinions concerning matters relating to your real estate practice. You have related to the Board your ideas concerning ways in which the Board can help you better serve your clients and customers. You have suggested ways in which the BULLETIN can be improved. You have encouraged the Board to offer additional opportunities for continuing your real estate education. And you have underscored the importance of the Board's role in providing you information and assistance.

For your cooperation and participation in this project, the Licensing Board is most appreciative. □

Compliance With New License Law

In the last issue of the BULLETIN, it was reported that because of recent amendments to the License Law, the license of a real estate broker or salesman may now be suspended or revoked if he violates the License Law even **when selling or leasing his own property** (G.S. 93A-6(b)(1)).

Since that BULLETIN, the Board staff and its field representatives have received numerous inquiries from licensees requesting a clarification of the new law. Specifically, they are asking "What must I now do to comply with the License Law when selling or leasing my own property?"

Liability For Private Acts

When selling or leasing your own property, you are not required to do anything more than an unlicensed seller or lessor is required to do. For example, you are not required to deliver closing statements or copies of agreements to the parties; or to deposit earnest monies or rents into a trust account (see "Trust Accounts" below); or to retain transaction records . . . BUT . . . if during the sale or leasing of your own property your conduct is found to have included improper, fraudulent or dishonest dealing or the making of false promises or misrepresentations, your real estate license may be suspended or revoked by the Board.

Advertising

Although you are not required to identify yourself as a broker or salesman when advertising the sale or lease of your own property, you are strongly encouraged to identify yourself as being licensed in all such advertising and to disclose your license status to the parties with whom you are dealing, certainly before the execution of any sales agreement, lease, etc.

When acting as agent for another or others in the selling or leasing of property in which you have an ownership interest (or in the purchasing of property in which you will acquire an ownership interest), you should disclose such interest (or potential interest) to the parties with whom you are dealing, certainly before the execution of any sales agreement, lease, etc.

Trust Accounts

When selling or leasing your own property, you must not place earnest money deposits, tenant security deposits, or rents in your **brokerage** trust account because as a seller or

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EXAMINATION SCHEDULE

(The Board reserves the right to change this schedule without prior notice.)

Filing Date	Exam Date
January 10	February 20, 21
February 7	March 18, 19
March 6	April 15, 16
April 10	May 19, 20
May 8	June 17, 18

Disciplinary Action

The Real Estate Licensing Board revoked the broker's license of Lynn H. McIntyre, formerly of Southern Pines, upon finding that she failed to deposit rental receipts and security deposits in her escrow account, wrote checks payable to "cash" drawn on her escrow account without proper documentation of the reasons therefor, failed to account to her principal for funds received in a fiduciary capacity, and wrote a check drawn on her escrow account that was returned for insufficient funds.

The Licensing Board suspended the broker's license of John T. L. Phelan of Highlands for 90 days upon finding that Mr. Phelan had been convicted in the Superior Court of Macon County on three counts of misdemeanor larceny. The Board further ordered that Mr. Phelan be issued a salesman's license upon the expiration of his suspension and upon proper application, but to permit him to apply for re-instatement of his broker's license upon termination of his probationary sentence in the criminal case.

The Licensing Board by Consent Order reprimanded Asheboro broker Kenneth F. Clark for deliberately notifying a multiple listing service that a certain property had been sold, when in fact the property had been taken off the market and was never sold.

The Licensing Board by Consent Order suspended the salesman's license of Carl E. Helton of Charlotte for 60 days. It was stipulated that Mr. Helton had offered to purchase certain property for \$240,000, and that his purchase contract specified that he would deposit a \$5,000 binder in the escrow account of his firm, Harbin Investors, Inc. However, Mr. Helton failed to disclose to the sellers

that such funds had not been deposited in escrow. Mr. Helton defaulted on his purchase contract and failed to pay over the binder upon demand of the owners until after a complaint had been filed with the Board. Mr. Helton did represent to the Board that he had reached agreement with the sellers to repay the \$5,000. The Board also reprimanded Mr. Helton's supervising broker, James Douglas Helton, for failing to properly supervise the activities of Mr. Carl Helton.

The Licensing Board by Consent Order suspended the broker's license of Walter Thomas Vick of Fayetteville for 75 days for preparing an offer to purchase in an incompetent and dangerous manner, and for failing to properly account for funds paid to him. In addition to the suspension, the Board ordered Mr. Vick to repay the funds to the complainant with interest.

The Licensing Board suspended the license of High Point broker Thomas J. Welch for 120 days after finding that Mr. Welch had falsely certified to a lending institution that he was holding a deposit. However, because Mr. Welch forthrightly admitted his error and since no one had been damaged as a result of the transaction, the Board suspended its Order and placed Mr. Welch on probation until May 1, 1981. Should Mr. Welch violate any of the Board's statutes or regulations, the suspension will automatically go into effect.

The Licensing Board by Consent Order reprimanded salesman Paul Phillip Dunlap of Durham for failing to deposit an earnest money check in his escrow account, and for failing to deliver it to his supervising broker. □

AUTHORS WANTED

Do you have information which might be of interest to other brokers and salesmen? An experience to relate? Or perhaps a question looking for an answer? If so, you could be a contributing author to the BULLETIN.

Your comments concerning brokerage practices, legal and educational matters, and similar topics could help to make the BULLETIN more meaningful and beneficial to your fellow practitioners. And since the BULLETIN is the Licensing Board's major communication link with its licensees, every effort is being made to further encourage and promote its reading and use.

Send your articles or items of information to the Licensing Board, Attention: BULLETIN Editor. □

Education Comment

(Continued From Page 2)

real estate instructors and is being used by all approved schools. The syllabus has standardized the curriculum in all pre-licensing courses, provided instructors with a detailed outline of all subjects to be covered, and offered suggestions to instructors concerning instructional aids, reference materials, and subject area emphasis.

Although implementation of the new standards for pre-licensing education involved several hectic months, the changes were accomplished quite smoothly thanks to the fine cooperation and support received from schools and instructors. We are all confident that the improvements made in this area will produce positive results which will directly benefit both the profession and the public. □

License Law

(Continued From Page 3)

lessor you would have a direct, personal interest in such funds . . . BUT . . . in accordance with G.S. 42-50, landlords must deposit tenant security deposits on residential dwelling units in a trust account (other than your brokerage trust account) or furnish a bond for the amount of such deposit(s). □

Licensees

Note

New Address/Telephone

N. C. Real Estate Licensing Board
P. O. Box 17100
Raleigh, N. C. 27619
Phone 919 / 872-3450

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