

## NORTH CAROLINA REAL ESTATE COMMISSION

# Real Estate Bulletin

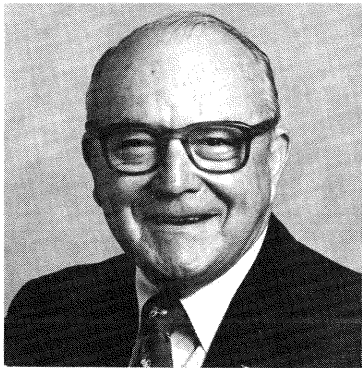
Volume 15

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## NEW COMMISSION MEMBERS

Governor James B. Hunt, Jr. has appointed Mr. Lee R. Barnes of Durham and Ms. LaNelle K. Lilley of Wrightsville Beach to the North Carolina Real Estate Commission. The two assumed their new positions following a swearing in ceremony at the Real Estate Commission Office conducted by Secretary of State Thad Eure.



**Lee R. Barnes**

A 1941 graduate of North Carolina State University, Mr. Barnes enlisted in the U. S. Army following graduation where he served as Company Commander of the 654th Tank Destroyers in the European Theatre of Operations from 1941 to 1946. After completing his active military service, he joined the North Carolina National Guard and later the U. S. Army Reserves where he retired in 1974 with the rank of Colonel.

Mr. Barnes is owner of Barnes Supply Company, a farm supply company in Durham which he established in 1946. He is also incoming President of the North Carolina Seedsmen's Association.

Married to the former Alyse Berry, they have two children, Pam and Lee, Jr.

Mr. Barnes' term as a member of the Commission will expire July 31, 1986. □



**LaNelle K. Lilley**

A native of Aberdeen, North Carolina, Ms. Lilley relocated to the Wilmington area in 1959. Active in the real estate brokerage business since 1962, she has been associated with Hanover Realty for nearly seventeen years. Ms. Lilley is a long-time member and Past-President of the Wilmington Board of REALTORS. She served as Secretary of the Board from 1976 to 1979 and was named Salesman of the Year in 1976.

She is a 1972 graduate of the REALTORS' Institute (GRI) and has served as an instructor at the Institute since 1979.

Ms. Lilley resides in Wrightsville Beach. She has two sons, Haywood and Craig.

Ms. Lilley's term as a member of the Commission will expire July 31, 1987. □

## Baxter Elected Chairman



**B. Hunt Baxter, Jr.** has been elected Chairman of the North Carolina Real Estate Commission for a one-year term commencing August 1, 1984. Mr. Baxter is an attorney and partner in the New Bern law firm of Henderson and Baxter.

In addition to his legal practice, Mr. Baxter is currently serving as Public Administrator of Craven County and is also Professor of Business at Craven Community College.



**Thomas Council** has been elected Vice Chairman of the Commission for the coming year. Mr. Council is President of Council Real Estate, Inc., a Fayetteville real estate firm.

Mr. Council is a Graduate of the REALTORS' Institute (GRI) and a former Director of the Fayetteville Area Board of REALTORS. He is also a past president of the Fayetteville Housing Corporation.

## Carlton Reappointed



**A. P. "Red" Carlton** of Greensboro has been reappointed to the Real Estate Commission for a three-year term expiring July 31, 1987. As owner of Carlton and Company, Mr. Carlton was active in the real estate business in Greensboro for 25 years, retiring in 1983. He is a Past-President of both the Greensboro Board of REALTORS and the N. C. Association of REALTORS, receiving the State REALTOR of the Year Award in 1971. He is currently serving as Vice President of the National Association of Real Estate License Law officials. □

# ADMINISTRATOR'S NOTES

## 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 Commission Real Estate Bulletin**.

### NORTH CAROLINA REAL ESTATE COMMISSION

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James B. Hunt, Jr., Governor

### COMMISSION MEMBERS

- B. Hunt Baxter, Jr. . . . . New Bern Chrm.
  - Thomas Council . . . . . Fayetteville V. Chrm.
  - Lee R. Barnes . . . . . Durham
  - Bart Bryson . . . . . Hendersonville
  - A. P. Carlton . . . . . Greensboro
  - LaNelle Lilley . . . . . Wrightsville Beach
  - Brantley T. Poole . . . . . Raleigh
- 
- Phillip T. Fisher . . . . . Exec. Director
  - L. Ted Gayle . . . . . Dir. of Audits
  - Larry A. Outlaw . . . . . Education Dir.
  - F. Michael Hughes . . . . . Asst. Ed. Dir.
  - Harry H. Harkins, Jr. . . . . Legal Counsel  
Asst. Atty. Gen.
  - Thomas R. Miller . . . . . Dep. Leg. Counsel
  - Mary Frances Whitley . . . . . Fin. Off.

Trust Account Auditor **Emmet R. Wood** has been designated a Certified Real Estate Investigator by the National Association of Real Estate License Law Officials. Emmet is also a CPA and a Graduate of the REALTORS' Institute (GRI) . . . Application Processor **Gloria Williams** and **Rodolph Hill** were recently recognized by the Real Estate Commission on having completed 15 years of service to the State of North Carolina. Investigator **James Clinard** (18 years) is the only other staff member to share this distinction . . . In the future, the status of complaints against real estate licensees will be tracked and progress reports generated each month by computer. The recently installed computer system is operated by Legal Secretary **Nancy Ross** . . . Records and files on the state's nearly 55,000 real estate brokers and salesmen are currently being converted to microfilm. More than a half million documents are scheduled to be photographed and stored in microfilm jackets in the Commission Office by November. Microfilming was directed by the Commission because of a critical shortage of file storage area in the Commission Office. The Commission apologizes for any delays in retrieving records which may result during this transition period . . . 1316 salesman license applicants and 732 broker applicants were scheduled for examination in June. According to Commission records, this total number of examinees was surpassed only in the month of January, 1981. An average of nearly 1600 applicants per month have been scheduled for licensing examinations since January of this year . . . Records Clerk **Naomi Cottle** reports that 85% of North Carolina's real estate brokers, salesmen and corporations renewed their licenses by July 1; last year 90% had renewed by this date. As of September 1, there were 41,731 brokers, 10,506 salesmen and 2,522 corporations licensed by the Real Estate Commission, some from as far away as South Africa, Australia, Taiwan, Sweden, West Germany, Saudi Arabia, Japan, and Kuwait . . . 20,000 copies of the Commission's publication **It's Your Move** were mailed to North Carolina's high schools in August for use during the 1984-85 school year. To date, approximately 200,000 copies of this consumer information booklet have been printed and distributed by the Commission to the State's public and private schools including Braille and large-print editions for visually impaired students. □

## LICENSING EXAMINATION SCHEDULE

EXAM RESULTS		
EXAMINATION—April, 1984		
	<b>Passed</b>	<b>Failed</b>
Brokers	280	272
Salesmen	438	413
EXAMINATION—May, 1984		
	<b>Passed</b>	<b>Failed</b>
Brokers	117	278
Salesmen	347	417
EXAMINATION—June, 1984		
	<b>Passed</b>	<b>Failed</b>
Brokers	270	390
Salesmen	533	612
EXAMINATION—July, 1984		
	<b>Passed</b>	<b>Failed</b>
Brokers	203	307
Salesmen	451	481

1984	
Application Filing Deadline	Examination Dates
August 22 . . . . .	September 22
September 27 . . . . .	October 27
October 17 . . . . .	November 17
November 15 . . . . .	December 15
1985	
December 28, 1984 . . . . .	January 26, 1985
January 23, 1985 . . . . .	February 23
February 22 . . . . .	March 23
March 27 . . . . .	April 27
April 18 . . . . .	May 18
May 22 . . . . .	June 22
June 27 . . . . .	July 27
July 24 . . . . .	August 24
August 28 . . . . .	September 28
September 26 . . . . .	October 26
October 23 . . . . .	November 23
November 21 . . . . .	December 21

# Time Share Report

# REGISTERED TIME SHARE PROJECTS

## Rules Adopted

AS OF SEPTEMBER 1, 1984

The Real Estate Commission has adopted three new rules governing time share sales and operations which became effective September 1, 1984.

Under Rule B .0301, if a person wishes to cancel his time share purchase by mail within the statutory 5-day "cooling off period" following signing of the purchase contract, the postmark date on his notice to cancel his purchase will be presumed to be the date that the notice was mailed to the developer. Also, developers are required to retain the notice and envelope in their files for three years.

Rule B .0401 requires time share developers and their salesmen to retain for at least three years records relating to their transactions and operations including offers, trust account records and employment records.

Rule B .0501 requires developers and their salesmen to deposit time share trust funds in a trust account not later than three banking days following receipt and, in the case of monies received on account of time share purchases, to keep these funds in their trust account for at least 10 days following the date of sale or until cancellation of the purchase by the purchaser, whichever occurs first. Furthermore, if a purchaser makes a timely and proper cancellation of his purchase, the developer must refund all monies paid by the purchaser not later than 30 days following the date that the contract was executed.

A copy of the complete text of these and other rules regarding time share sales and operations is available without charge from the Commission Office.

### Registered Time Share Projects

Under the North Carolina Time Share Act, time share developers must register their North Carolina time share projects with the Real Estate Commission. Deputy Legal Counsel Thomas R. Miller and Time Share Clerk Martha Neeley report that the projects listed on this page had registered with the Real Estate Commission as of September 1, 1984. Information concerning time share sales activities at projects not shown on this list should be reported to the Commission. □

### PROJECT

A Place at the Beach III  
Alpine Village  
Barrier Island Station  
Beach Harbor  
Blue Ridge Village  
Cape Hatteras Beach Club  
Christie Village  
Chetola Lake Condominium  
Eagles Nest  
Fairfield Harbor  
Fairfield Mountain  
Fairfield Sapphire Valley  
Five Seasons  
Four Seasons at Beech  
Foxfire Interval Ownership  
Frontier Village I & II  
Golden Strand Condominiums  
Hatteras High Resort  
Hawk's Nest II-III  
Holiday Island Resort  
Ithilien Lodge  
Linville Mountain Inn  
Nags Header Retreat  
North Pier Ocean Villas  
Northpoint  
Ocean Isle Beach Club  
Ocean Pines Condominium  
Ocean Reef  
Ocean Villas II  
Outer Banks Beach Club  
Penny Hill by the Sea  
Peppertree Resort Villas  
Peppertree Resort Villas  
Peppertree Vacation Club  
Sea Oats Club  
Sea Ranch II, Inc.  
Sea Scape Beach & Golf Villas  
Snowcloud I Condominium  
Snowcloud II Condominium  
Spinnaker at Port Trinitie  
Strand South  
Swiss Mountain Village  
The Pines Golf & Resort, Inc.  
The Waterway  
Whispering Pines Time  
Share Villas  
Windjammer Condominium  
Woodlake Country Club  
Interval Ownership Dev.

### LOCATION

Atlantic Beach  
Burnsville  
Duck  
Carolina Beach  
Banner Elk  
Buxton  
Beech Mountain  
Blowing Rock  
Atlantic Beach  
New Bern  
Lake Lure  
Sapphire  
Nags Head  
Banner Elk  
Foxfire  
Boone  
Kill Devil Hills  
Kill Devil Hills  
Nags Head  
Hertford  
Waynesville  
Marion  
Nags Head  
Carolina Beach  
Duck  
Ocean Isle Bch  
Kitty Hawk  
Morehead City  
Nags Head  
Kill Devil Hills  
Corolla  
Atlantic Beach  
Maggie Valley  
Asheville  
Wrightsville Bch  
Kill Devil Hills  
Kitty Hawk  
Seven Devils  
Seven Devils  
Duck  
Kill Devil Hills  
Blowing Rock  
Pinebluff  
Wilmington  
Whispering Pines  
Nags Head  
Vass

### DEVELOPER

Sands Investments No. III Inc.  
Summer Timeshares, Inc.  
Barrier Island Station, Inc.  
RGP Enterprises  
Carolina Investment of Avery, Inc.  
Cape Hatteras Beach Club, Inc.  
Woods of Beech, Inc.  
Chetola Properties  
Eagle's Nest Co.  
Fairfield Harbor, Inc.  
Fairfield Communities, Inc.  
Fairfield Sapphire Valley, Inc.  
Five Seasons Partnership  
Virginia Carolina Inns, Inc.  
First Resort Properties, of N.C.  
Condo Venture Corp.  
Lifestyle Homes, Inc.  
Lifestyles Homes, Inc.  
Hawk's Nest Co. of Nags Head  
Resorts Marketing Ltd.  
K. R. Skogg, Inc.  
Linville Villas, Inc.  
Nags Headers Homes, Inc.  
North Pier, Inc.  
Outer Banks Venture, Inc.  
American Vacations, Inc.  
AL-Ed Corporation  
Carolina Coastal Properties, Inc.  
First Flight Builders, Inc.  
Outer Banks Beach Club, Inc.  
Penny Hill by the Sea, Inc.  
Peppertree Atlantic Bch Assoc.  
Peppertree Maggie Valley  
Great Smokies Hotel Association  
Sea Oats Association  
Sea Ranch II, Inc.  
Sea Scape Associates, Ltd.  
First Star, Inc.  
First Star, Inc.  
Trinitie Group, Inc.  
Strand South Ltd.  
Swiss Mountain Corp.  
The Pines Golf & Resort, Inc.  
Waterway Ltd.  
Whispering Pines, Inc.  
Seashore Development, Inc.  
Woodlake Partners, Ltd.  
Partnership

### DO YOU . . .

. . . have the parties to real estate transactions sign or initial your copy of their closing statements? If not, the Commission recommends that you follow this practice so that your records will reflect that they were furnished a copy of the closing statement (G.S. 93A-6(a)(14)) and that they were in agreement to the final terms of settlement. □

### WOOD-DESTROYING INSECT REPORTS

The N. C. Structural Pest Control Committee has requested real estate brokers and salesmen to be alert to the possible use of unapproved forms in reporting the presence or absence of wood-destroying insects or their damage on property offered for sale in North Carolina. The only form that licensed pest control operators can legally use is HUD FORM 92053/VA FORM 26-8850. □

# ANSWERLINE

By Thomas R. Miller  
Deputy Legal Counsel

- Q. I am a licensed real estate broker. A few days ago I was showing houses to a prospective buyer when we discovered a house for sale on Maple Street. The sign in the front yard indicated that the house was listed by my competitor, Acme Realty. The buyer desired to see the house, so I called the broker at Acme to arrange a showing. During my conversation with the broker, he stated that he would permit the buyer to see the house but would not split his commission with me. Instead, he promised to pay me a flat \$600 fee if the buyer purchased the house. I do not think the broker's refusal to split his commission with me is fair. Would it be proper for me to insert a provision in the buyer's offer to the effect that if his offer is accepted by the seller, Acme Realty must pay me half of the sales commission?
- A. **No. As a general rule, commission provisions should be covered in listing contracts—not sales contracts. Contracts for the sale of real estate and listing contracts are, and should remain, separate agreements. Each contract has its own distinct purposes and parties which make it different from the other. By inserting the provision mentioned above, you are asking the seller of the property to deliver something that is not his to give; namely, a portion of the listing broker's commission. Only the listing broker may bargain his right to a commission away, and he will not even be a party to the sales agreement. Your real estate license creates no automatic right to claim a portion of the listing broker's commission. You may do so only with his consent in the form of a co-brokerage agreement.** □

## “WINDSHIELD APPRAISALS”: An Expensive Lesson

In a recent complaint filed with the Real Estate Commission, a North Carolina bank alleged that a real estate broker had submitted an “opinion of value” on certain real estate being used to secure a loan, which property was later determined to have significantly less value than indicated in the opinion. The bank further alleged that it had relied upon this opinion of value in granting a loan on the property, and that as a result, it suffered monetary damages upon a subsequent foreclosure against the property.

The real estate broker in her defense told the Commission's investigator that she was not aware that her opinion was to be used for loan purposes; that it was her understanding that the person requesting the opinion was the owner of the property and that the opinion was to be used for his “file purposes.” Nevertheless, it was the position of the

Commission that the broker did not exercise adequate skill and diligence in performing this service. (The Commission also questioned the prudence of the bank in accepting the opinion without further substantiation.) The broker subsequently entered into a monetary settlement with the bank.

This matter is being reported as a warning to real estate brokers and salesmen who may find themselves in a similar situation. You are cautioned not to state an opinion of value regarding any real estate until you have first conducted the necessary research and study, even if the opinion is requested for merely “curiosity” or general interest purposes. You are also advised to decline any requests to state an opinion of value if you do not feel that you possess the requisite skill and training to effectively perform the task. Failure to do so, may, as in the case of this broker, prove to be an expensive lesson. □

## Sharing Brokerage Fees with Buyers and Sellers

Real estate agents should by now be aware of the position of the Real Estate Commission regarding the sharing or “splitting” of real estate brokerage fees and commissions with unlicensed persons; namely, that licensed brokers and salesmen cannot compensate (by either cash or gifts) persons who have performed acts or services for which a real estate license is required. This has been held to include the payment of finders fees, referral fees, “bird dog” fees, or similar compensation.

The question has risen, however, as to whether brokers can rebate or pay a portion of their brokerage fees to buyers and sellers who purchase or list real estate through the broker. The answer is “yes” because a real estate license is not required of persons who list for sale real estate which they own or who purchase real estate for their own account. However, if payment is being made to a party other than the one which the broker is representing in the transaction, full disclosure of such payment must be made by the broker to his client.

A second question of much interest to real estate brokers has also recently emerged regarding the payment of brokerage fees to buyers and sellers. That is: **Must a real estate broker pay a portion of his or her commission to someone who is buying or selling real estate through the broker if such person holds a North Carolina real estate license?** The answer is “no”. The mere possession of a real estate license does not give rise to any automatic or special claim for compensation. While brokers may voluntarily agree to pay a portion of their fees to such persons, they are not required to do so. □

### LEGAL BRIEFS

The North Carolina Court of Appeals in a recent ruling affirmed a lower court decision to award damages to certain purchasers of real estate who claimed that they were told by real estate agents that there was an 8¾% interest rate ceiling on the loan that they were to assume when, in fact, the loan was subject to a rate as high as 9½%.

(Continued on Page 6)

# EDUCATION REPORT

by Larry A. Outlaw  
Education Director

## New Broker Education Requirement

Effective September 1, 1984, the pre-licensing education requirement for broker applicants increased to 120 classroom hours (was 90 hours) and now consists of four 30-hour courses as follows:

- Fundamentals of Real Estate (salesman course)
- Real Estate Law
- Real Estate Finance
- Real Estate Brokerage Operations

All persons applying for a broker license on or after September 1, 1984 will be required to meet the new broker education requirement.

It is believed that this latest increase in the broker education requirement will contribute greatly toward having better qualified brokers in the future.

## New Brokerage Operations Course

The revised broker education program features a new course, Real Estate Brokerage Operations, the purpose of which is to provide students with the basic practical knowledge of real estate brokerage operations necessary to enable entry-level real estate brokers to effectively operate or manage a real estate brokerage practice in a manner which protects and serves the public interest.

Topics covered in this exciting new course include the following:

- Establishing a Brokerage Firm
- Management
- Personnel
- Operations
- Records and Bookkeeping Systems (including Trust Accounts)
- Financial Operations

In addition to persons pursuing a broker license, many currently licensed brokers should find this new course to be especially helpful if they plan to someday open or manage a real estate brokerage firm.

## New Instructor Certification Requirements

The Commission has also implemented a new instructor certification program which involves separate requirements for each of the four courses in the broker education program. The basic requirements are summarized below:

## Fundamentals of Real Estate (salesman course)

Salesman or broker license in North Carolina, two years full-time real estate brokerage experience within the past five years, and 90 classroom hours of real estate education.

## Real Estate Law

License to practice law in North Carolina.

## Real Estate Finance

One year full-time experience within the past five years as a mortgage loan officer, or two years full-time experience within the past five years as a general loan officer with an institution which deals in mortgage loans.

## Real Estate Brokerage Operations

Broker license in North Carolina and three years full-time real estate brokerage experience within the past five years, including one year as broker-owner, designated broker-in-charge or managing broker of a real estate firm or office.

The Commission will also consider applicants with qualifications "equivalent" to those stated above. If you are qualified and are interested in teaching one or more courses, you are encouraged to contact your local school(s) which conduct pre-licensing courses. Many schools currently need qualified instructors. □

## SALES TAX REMINDER

Real estate brokers and salesmen who act as agents in renting dwellings (condominiums, cottages, time shared units, etc.) to tenants for less than 90 continuous days, must (1) obtain a Merchants Certificate of Registration from the Revenue Department, (2) collect and retain in their trust accounts applicable state and local sales and use tax on monies derived from such rentals pending remittance to the Revenue Dept., and (3) maintain for at least 3 years records sufficient to determine the amount of tax liability.

For further information, contact the N. C. Department of Revenue, Sales and Use Tax Division. (919/733-3661).

## Trust Account Course Slide Presentation

L. Ted Gayle, the Commission's Director of Audits, has developed an audio-visual presentation on the subject of trust fund accounting and recordkeeping.

The 20-minute program consists of a slide presentation depicting buyers, sellers and agents transacting real estate business and includes samples of the various forms used to track the receipt and disbursement of earnest money deposits, tenant security deposits, rents and other forms of trust funds. The slides are accompanied by a professionally recorded narrative automatically synchronized to the slide sequence.

The program was designed to be used in conjunction with the Trust Account Short Courses conducted by the Commission's auditing staff (See "Trust Account Short Course" this page). The Commission also hopes to make it available for use by REALTOR Boards and other industry organizations in the near future.

At the invitation of the National Association of Real Estate License Law Officials, Ted presented the program to the Association's District Meeting in Vermont. And the program was so well-received, Ted was asked to make a similar presentation at their National Meeting in October.

The Commission commends Ted for his special efforts in the development and production of this excellent program. □

## Trust Account Short Course Schedule

Due to increased demand for the Commission's Trust Account Short Courses, the courses will in the future be offered in the Commission's Raleigh office on a monthly basis as follows:

- October 23—8:30 a.m., 1:30 p.m.
- November 20—8:30 a.m., 1:30 p.m.
- December 18—8:30 a.m., 1:30 p.m.

These courses are designed to better inform brokers and their bookkeepers as to proper methods for handling and accounting of client funds.

Class size is limited, so space will be reserved on a first come first served basis.

Reservations should be made with Administrative Secretary Jeanette Hamm at 919/733-9580. □

# DISCIPLINARY ACTION

The Commission suspended the salesman's license of DOUGLAS B. CARSON of Charlotte for 45 days, but suspended the Order and placed him on probation for one year and required him to attend the Trust Account Course. The Commission found Mr. Carson guilty of failing to keep funds of others in a trust account, and placing trust funds in an interest-bearing account without proper authorization.

The Commission revoked the broker's license of JASIA G. DUDKO of Belmont but issued her a salesman's license. The Commission found numerous trust account violations on her part, not committed with intent to defraud, but out of inability to manage a real estate business. The Commission therefore permitted her to continue in the real estate business under the supervision of an experienced broker.

The Commission suspended the broker's license of JAMES M. EDNEY of Hendersonville for 90 days (30 days active, remainder suspended, one year probation) for failing to deposit trust funds into escrow, failing to keep trust records as required by the Commission's regulations, and failing to display renewal stickers on his agents' license certificates.

The Commission suspended the broker's license of MARTHA M. GEN-

## LEGAL BRIEFS

*(Continued from Page 4)*

According to the Court's ruling, the real estate agents knew of an existing agreement between the previous owners and the savings and loan association whereby the interest rate of their loan could be increased as high as 9½% if prevailing interest rates rose. However, the agents failed to inform the purchasers of this agreement. In the opinion of the Court, the purchasers "unquestionably suffered a foreseeable monetary loss as a result of the breach (of contract)."

Does a requirement that subdivision homeowners selling their homes list them exclusively with the developer/broker, or by an open listing, under penalty of denial of country club membership to purchasers constitute an unfair method of competition or an unfair trade practice?

In the opinion of the North Carolina Attorney General's Office, it does. The Attorney General, in response to a question posed by the Real Estate Commission, concluded that such practices constitute both an unfair method of competition and an unfair trade practice injuring both competitors and consumers. □

TRY of Laurinburg for two years (two months active, remainder on probation) for assisting home buyers in furnishing false information to a lender, misrepresenting the amount of earnest money she held, and arranging for a borrower to pay the then-prohibited FHA loan discount points.

The Commission censured broker KENNETH R. INGRAM of Durham for failing to properly advertise or market a house listed for sale with him that was in the process of foreclosure, and for failing to competently advise his seller-clients of their rights and opportunities.

The Commission suspended the broker's license of KENWYN N. (BILL) JOHNSON of Laurinburg for 60 days for arranging for secondary financing for home buyers without notifying their primary lender, and for failing to provide them a closing statement.

The Commission suspended the salesman's license of CORNELIUS R. JONES of Greensboro for 60 days for failing to turn over all of an earnest money deposit he received to his employing broker, misrepresenting to his broker the amount received, and making deliberate misrepresentations to the Commission's investigator.

The Commission suspended the salesman's license of SHERILYN G. LEGGETT of Laurinburg for 21 days for preparing a contract with an incorrect sale price to avoid a Farmers Home lending limit, and for preparing a closing statement with a false sale price.

The Commission suspended the broker's license of PHILLIP R. LIPPARD of Kannapolis for 90 days (30 days active, remainder suspended, one year probation) for commingling earnest money with his personal

funds, thus creating a shortage in his trust account. The Commission also ordered Mr. Lippard to attend its Trust Account Course.

The Real Estate Commission revoked the broker's license of BOBBY J. PRESSLEY of Charlotte for assisting home buyers to submit a false "gift letter" and other false information to a lender, for misrepresenting the amount of earnest money he held, and for failing to keep promises to the buyers regarding repairs.

The Commission suspended the broker's license of RAMON C. RODRIGUEZ, JR., of Fayetteville for 90 days (30 days active, remainder suspended, one year probation) for failing to place rents and security deposits in a trust account.

The Commission revoked the broker's license of JAMES E. ROOT of Hendersonville for failing to produce records of his trust account activity to the Commission's Trust Account Auditor.

The Commission reprimanded NELLIE S. SAUNDERS of Kitty Hawk for negligently preparing an offer to purchase, so that her customer purchased a different lot than the one she intended to purchase.

The Commission reprimanded LAURIE S. COOPER and CLAUDE P. SMITH of Raleigh for negligently failing to provide a home buyer a termite report that revealed termite damage.

The Commission suspended the broker's license of JEAN V. WHEELER of Fuquay-Varina for 90 days (30 days active, remainder suspended, one year probation) for commingling trust funds with her personal funds and using trust funds to make loans to various individuals. □

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NORTH CAROLINA  
REAL ESTATE COMMISSION  
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BULK RATE  
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