



NORTH CAROLINA REAL ESTATE COMMISSION

Real Estate Bulletin

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Number 3

RULES AND REGULATIONS AMENDED Back By Popular Demand License Pocket Cards

Summarized below are recent amendments to the Rules and Regulations of the North Carolina Real Estate Commission (21 NCAC) which were adopted by the Commission on December 9 following an October 17 rulemaking hearing. These changes will become effective April 1, 1987, subject to approval of the Administrative Rules Review Committee.

Rule A .0101(b) was amended to replace the license renewal sticker with a pocket card to provide licensees a more portable proof of licensure.

Rule A .1005(a) (3) was amended to provide for disciplinary sanctions against schools which do not result in a loss of the right to continue to conduct real estate pre-licensing courses.

Rule A .1104(a) was amended to clarify that approved pre-licensing real estate course must be taught in accordance with the Commission's course syllabi.

Rule A .1105(a) and (b) was amended to clarify the minimum course completion standards required for real estate pre-licensing courses and to attain more consistency in such standards among schools.

Rule A .1203(a)(1)-(4) was amended to increase and clarify the minimum standards for certifying instructors of real estate pre-licensing courses.

Rule A .1205(a) was amended to provide for a disciplinary sanction against

certified real estate instructors which does not result in loss of teaching privileges.

Rule A .1306(b)(1) and (2) was amended to clarify the standards for directors of private real estate schools.

Rule A .1314(d) was amended to require private real estate schools to retain for five years consents to use endorsements in advertising.

Rule A .1318(a) was amended to provide for disciplinary sanctions against private real estate schools which do not result in the loss of the right to continue to conduct pre-licensing courses.

Rule B .0101 was amended to state more specifically the information which must be submitted with an application for time share registration.

Rule B .0104(c) was amended to state more specifically the procedures for amending time share registrations.

Rule B .0105 was adopted to provide for notification to the Commission of the cancellation of time share project registrations.

Rule B .0201(b) was amended to state more specifically the information which must be included in a time share public offering statement.

Rule B .0202(a) was amended to put public offering statement summaries in narrative form. □

STOPPING PROBLEMS BEFORE THEY START

*By Blackwell M. Brogden, Jr.
Deputy Legal Counsel*

Many problems which arise during the course of real estate transactions and the day-to-day operation of real estate offices are unexpected and unavoidable. However, some types of problems which have come to the attention of the Real Estate Commission with increasing frequency can be stopped before they begin, by simply following the axiom — "Think before you act!" Or more specifically, "Think about the requirements of the Real Estate License Law and the Commission's rules before you commit some improper act."

This is especially good advice to follow with regard to the following potential problem areas:

Unsupervised Salesman. A salesman's license does not become active until the salesman and the Broker-In-Charge of the office where the salesman works (i.e., the salesman's "supervising broker") have signed and mailed a "Supervision of Salesman Notification" form to the Commission office. The salesman may not work for or be compensated by any other person for acts performed as a real estate salesman.

Salesman Managing Office. Each office at which real estate brokerage is conducted must designate with the Commission a "Broker-In-Charge" of such office. The Broker-In-Charge is responsible for personally and actively supervising all salesmen who work at the office; for maintaining proper trust account and transaction records; and for performing other acts. A brokerage office can not be supervised by a licensed salesman.

(Continued on Page 2)

IN MEMORIAM

The North Carolina Real Estate Commission regrets to report the recent deaths of former Commission members Kenneth R. "Cap" Smith of Raleigh and William C. Stokes of Reidsville.

Mr. Smith served as Chairman of the Commission from 1957 to 1967, and Mr. Stokes was a member of the Commission from 1977 to 1981, serving as Chairman in 1979-80. □

BEAR WITH US

In order to continue to efficiently serve the needs of the public and the State's 70,000 real estate licensees, a larger, more sophisticated computer system is being installed in the Commission's Raleigh office.

The Commission requests your understanding and indulgence for any inconvenience caused during this transition period. □

REAL ESTATE BULLETIN

Published quarterly as a service to real estate licensees to promote a better understanding of the Real Estate License 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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PROBLEMS

(Continued from Page 1)

Disbursement of Disputed Funds. When a real estate transaction does not "close", the real estate agent in possession of any trust money may not make a final determination as to whom the money should be paid. Although the agent may notify the parties of his plans with regard to the disbursement of such funds, if either party objects to the agent's intended disbursement, then the agent must continue to hold the trust funds in his/her trust account pending agreement between the parties or a court order.

Blind Advertisements. Any advertisement by a broker of property listed for sale must disclose the broker's status as a broker or the name of the broker's firm. Likewise, any advertisement by a salesman must disclose the name of the salesman's Broker-In-Charge or firm. This is equally true for advertisements for the lease, rent, and exchange of real estate as well as for solicitations to obtain listings. ☐

BULLETIN BOARD



Faye Hewett has been employed by the Real Estate Commission as its Receptionist. In addition to having had prior experience as a Receptionist, Mrs. Hewett was also previously employed by the City of Raleigh Violations Bureau for three years as an Office Assistant.

... Education Director **Larry A. Outlaw** and Administrative Secretary **Jeanette J. Hamm** were recently recognized by the Commission for having completed ten years service with the State of North Carolina ... Investigator **Charles S. Carter** has been designated by the National Association of Real Estate License Law Officials (NARELLO) as a Certified Real Estate Investigator, and Trust Account Auditor **Emmet R. Wood, CPA** served as an instructor at NARELLO's Investigator Certification Course ... Commission Executive Director **Phillip T. Fisher** served as Program Director for NARELLO's recent Annual Conference at which Commission Chairman **A. P. Carlton** presided as out-going President ... the Commission's Legal Counsel, Assistant Attorney General **Thomas R. Miller**, addressed a November 15 Educational Seminar sponsored by the North Carolina Auctioneer Licensing Board on the subject of "The Overlap in the Real Estate and Auctioneer Laws and Rules" ... Deputy Legal Counsel **Blackwell M. Brogden Jr.** conducted a "Rap Session" at the North Carolina Association of REALTORS Annual Conference ... Mr. Fisher, Mr. Brogden, and Legal Information Officer **Robin**

Hammond Clark have, since September, addressed Boards of REALTORS in Avery-Watauga, Union, Dare, and Moore Counties, and in Wilmington, Winston-Salem, and Asheboro.

RECIPROCITY NEWS

Effective July 1, 1986, North Carolina's reciprocal licensing agreement with the Commonwealth of Pennsylvania has been terminated. Consequently, qualified resident North Carolina real estate brokers and salesmen will henceforth be required to pass the State Section of the Pennsylvania real estate licensing examination in order to obtain a nonresident Pennsylvania License. [Note: Since the North Carolina licensing examination does not contain a separate State Section, Pennsylvania applicants are required to pass the entire North Carolina examination.]

However, the North Carolina Real Estate Commission is pleased to announce that it has entered into a reciprocal licensing agreement with the State of Maine effective December 1, 1986, whereby resident North Carolina licensees can obtain nonresident Maine real estate licenses by sitting for only the State Section of the Maine licensing examination.

For details concerning North Carolina's reciprocity agreement with Maine or any of the other states listed below, contact the Real Estate Commission in each jurisdiction:

Arkansas	Oklahoma
Delaware	South Carolina
Georgia	Tennessee
Maine	Virginia
New Jersey	West Virginia

TRUST ACCOUNT SHORT COURSE

Registration Form Instructions

1. Any real estate licensee, trust account bookkeeper or other person who handles real estate trust funds or accounts may attend.
2. These free courses are held at the McKimmon Center, Raleigh, N. C., beginning at 1:00 p.m. and require 3-3½ hours to complete.
3. To register, complete and return this form to the N.C. Real Estate Commission, P.O. Box 17100, Raleigh, N.C. 27619-7100, Attn. Ms. Hamm.
4. Registration forms must be received in the Commission Office at least 10 days prior to the course. Registrations will be confirmed in writing by the Commission and registrants furnished more detailed information concerning the location and content of this course.

I wish to attend the following Trust Account Short Course:

☐ January 13

☐ February 10

☐ March 17

Name: Phone:

Address (inc. Zip)

DISCIPLINARY ACTION

Penalties for violations of the Real Estate License Law and Commission Rules and Regulations 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.

STEFAN A. AUGUSTIN (Wilmington) — By Consent, the Commission reprimanded Mr. Augustin for acting as a real estate salesman without the supervision of a Broker-in-Charge designated with the Commission.

BEACH HARBOUR ENTERPRISES (Carolina Beach) — By Consent, the Commission, effective August 7, 1986, fined Beach Harbour Enterprises, developer of the time share project Beach Harbour, \$1000 for using improper mail solicitations to attract purchasers to the project. Beach Harbour Associates was also fined an additional \$2000 for selling time shares at the project before a Project Broker or Time Share Registrar had been designated.

CARL W. BELL, JR. (Morehead City) — By Consent, the Commission suspended Mr. Bell's broker's license for two years effective November 20, 1986. Six months of the suspension are to be active and two years on probation. The Commission found that Mr. Bell had offered for sale a condominium which he was not authorized to sell and failed to furnish the offeror a copy of his offer to purchase. The Commission also found that Mr. Bell had failed to deposit the offeror's \$5000 earnest money check in an escrow or trust account and issued a refund of the offeror's deposit without having sufficient funds to honor the referral check; however, Mr. Bell subsequently repaid the offeror.

WILSON BLANKENSHIP (Wilmington) — By Consent, the Commission reprimanded Mr. Blankenship for sharing brokerage fees with an unlicensed brokerage corporation by which he was employed.

CONNALLY P. BRANCH (Greenville) — The Commission reprimanded Mr. Branch for acting in a manner inconsistent with his duties to his principals, the sellers. The Commission found that Mr. Branch had acted for more than one party in a transaction without the knowledge of all parties and that he had failed to deliver to his principals within a reasonable time, a copy of an offer to purchase their property.

ROBERT F. BRIGMAN (Wilmington) — By Consent, the Commission suspended Mr. Brigman's salesman's license for one year effective November 1, 1986. Ninety days of the suspension are to be active and one year on probation. The Commission found that Mr. Brigman acted as a real estate salesman without the supervision of a Broker-in-Charge, and employed unlicensed persons to sell real estate as agents.

STEVE J. EVANS (Greenville) — By Consent, the Commission suspended Mr. Evans' broker's license for thirty days effective September 1, 1986. The Commission found that Mr. Evans had failed to deliver to a seller an offer to purchase the seller's property.

FIRST FLIGHT MARKETING, INC. (Dare County) — By Consent, the Commission revoked the corporate real estate broker's license of First Flight Marketing, Inc. effective September 1, 1986 for employing two unlicensed persons to sell time shares at various Dare County time share projects.

JAMES RAE FREELAND (Hillsborough) — By Consent, the Commission suspended Mr. Freeland's broker's license for two years effective October 1, 1986. Three months of the suspension are to be active and two years on probation. The Commission found that Mr. Freeland, while acting as agent for a seller, had failed to advise the seller of an offer to purchase a portion of the seller's property. Instead, Mr. Freeland sold the property to his son and then re-sold the property to the original purchaser for a substantial profit. Mr. Freeland subsequently made restitution to the seller.

DAVID F. GREEN (Jacksonville) — The Commission revoked Mr. Green's salesman's license effective July 1, 1986. The Commission found that Mr. Green had induced a seller to convey certain property to his (Mr. Green's) father by promising to pay the seller \$1000 for the seller's equity, assume the seller's VA-guaranteed loan, and release the seller from liability to the VA for repayment of the loan. These promises were false in that Mr. Green failed to make the equity payment to the seller, failed to make monthly payments resulting in foreclosure by the VA, and failed to obtain a release of liability for the seller. The Commission also found that Mr. Green had acted for his father without the knowledge or consent of the seller. In separate transactions, the Commission found that Mr. Green, outside the

knowledge and supervision of his Broker-In-Charge, had prepared offers which contained confusing and inconsistent financing provisions involving VA-guaranteed loans and second deeds of trust.

JAMES R. HANRATTY (Carolina Beach) — By Consent, the Commission reprimanded Mr. Hanratty for selling and offering to sell time shares at the Beach Harbour time share project before a Project Broker or Time Share Registrar had been designated.

JAMES C. HARRIS, JR.; THE WARREN GROUP, INC. (Warrenton) — By Consent, the Commission revoked Mr. Harris' broker's license and the corporate real estate broker's license of The Warren Group, Inc. effective November 12, 1986. The Commission found that Mr. Harris in his individual capacity and as President and Principal Broker of the Warren Group, Inc., had converted to his own use the funds of others in five separate real estate transactions in which he acted as either rental agent or sales agent.

BARRY E. HOBBS (Wilmington) — By Consent, the Commission reprimanded Mr. Hobbs for acting as a real estate salesman without the supervision of a Broker-in-Charge designated with the Commission.

HORNE DEVELOPERS, INC.; POWDER HORN MOUNTAIN (Triplett) — The Commission revoked the corporate real estate broker's license of Horne Developers, Inc. and the registration certificate of the time share project Powder Horn Mountain effective May 20, 1986. The Commission found that Horne Developers, Inc. as the registered developer of Powder Horn Mountain had failed to convey title to certain time share purchasers and failed to obtain releases from deeds of trust encumbering certain weeks sold. The Commission also found that Horne Developers, Inc. subsequently abandoned the project.

BILLY J. HOYLE (Cedar Mountain) — The Commission revoked Mr. Hoyle's salesman's license effective October 14, 1986. The Commission found that Mr. Hoyle, while acting as a salesman and bookkeeper for a real estate firm, had converted trust funds to his own use, and had failed to properly account for the funds of others.

NICHOLAS JEROSIMICH (Wallace) — By Consent, the Commission suspended
(Continued on Page 4)

DISCIPLINARY ACTION

(Continued from Page 3)

Mr. Jerosimich's broker's license for one year effective September 1, 1986 for failing, as Broker-In-Charge, to adequately supervise the acts of a salesman. The Commission found that Mr. Jerosimich did not review sales contracts prepared by the salesman nor properly handle or account for trust funds.

ROY L. JONES (Carolina Beach) — By Consent, the Commission reprimanded Mr. Jones for allowing the sale of time shares at the Beach Harbour time share project before a Project Broker or Time Share Registrar had been designated.

IDIN KAVEH (Wilmington) — By Consent, the Commission reprimanded Mr. Kaveh for acting as a real estate salesman without the supervision of a Broker-in-Charge designated with the Commission.

LEE ANNE MacDADE (Charlotte) — By Consent, the Commission suspended Mrs. MacDade's salesman's license for thirty days effective November 1, 1986. The Commission found that Mrs. MacDade had received a brokerage fee paid by her husband's employer contrary to the employer's policy of refusing to pay such fees to employees or their spouses. Mrs. MacDade subsequently returned the brokerage fee.

OCEAN VILLAS I and FIRST FLIGHT BUILDERS, INC. (Dare County) — By Consent, the Commission, effective August 19, 1986, fined first Flight Builders, Inc. \$500 for selling a time share at the project Ocean Villas I when such project was not registered with the Commission.

GARY W. OWENS (Raleigh) — By Consent, the Commission suspended Mr. Owens' broker's license for ninety days effective November 6, 1986. The Commission found that Mr. Owens had failed to provide adequate, personal, on-site supervision of two salesmen under his charge and control.

BRIAN P. QUINN (Wilmington) — By Consent, the Commission suspended Mr. Quinn's salesman's license for one year effective December 1, 1986. Ninety days of the suspension are to be active and one year on probation. The Commission found that Mr. Quinn acted as a real estate salesman without the supervision of a Broker-in-Charge, and employed unlicensed persons to sell real estate as agents.

WANDA SUE REGISTER (Lumberton) — By Consent, the Commission

revoked Mrs. Register's salesman's license effective November 17, 1986. The Commission found that Mrs. Register, while employed as a property manager by a real estate firm, had failed to pay rent on an apartment in which her family resided and had disbursed funds to her husband for repair work which he had not performed. Upon determining through an audit that the firm's rental management trust account was \$12,000 short, Mrs. Register reimbursed the account.

LESTER M. ROWLAND, JR. (Dare County) — By Consent, the Commission revoked Mr. Rowland's broker's license effective October 16, 1986. The Commission found that Mr. Rowland, as principal broker and Broker-in-Charge of First Flight Marketing, Inc., had employed two unlicensed persons to sell time shares at various Dare County time share projects.

SHORELINES, INC.; SHORELINES MARKETING OF WILMINGTON, INC. (Wilmington) — By Consent, the Commission revoked the corporate real estate broker's licenses of Shorelines, Inc. and Shorelines Marketing of Wilmington, Inc., effective November 1, 1986 for failing to provide closing statements to buyers and sellers for whom they held funds.

G. TIMOTHY SMITH (Greenville) — The Commission suspended Mr. Smith's broker's license for one year effective July 28, 1986. Two months of the suspension are to be active. The remainder is suspended for a one-year probation. The Commission found that Mr. Smith had acted in a manner inconsistent with his duties to his principals, the sellers, by failing to submit to them an offer to purchase an option to buy their property. Instead, Mr. Smith presented and negotiated an option on behalf of his business associate. The Commission also found that he failed to include in the option agreement a material condition requested by the sellers.

RALEIGH D. SOUTHERLAND, JR. (Wilmington) — By Consent, the Commission suspended Mr. Southerland's broker's license for three years effective September 15, 1986. The Commission found that Mr. Southerland, as principal broker and Broker-in-Charge of Shorelines, Inc. and Shorelines Marketing of Wilmington, Inc. failed to ensure that buyers and sellers were provided with true and accurate closing statements.

ROBERT L. STEPHENSON (High Point) — By Consent, the Commission reprimanded Mr. Stephenson for misrepresenting to purchasers that they could

assume a loan on property listed by him, when, in fact, this was not true.

WOODROW THOMASSON, JR. (Raleigh) — By Consent, the Commission suspended Mr. Thomasson's broker's license for one year effective October 1, 1986. One month of the suspension is to be active and the remaining eleven months are suspended for a probationary period on condition that he attend the Commission's Trust Account Short Course. The Commission found that Mr. Thomasson in three separate transactions issued checks from his trust account which were returned unpaid due to insufficient funds as a result of his failure to maintain adequate trust account records.

WHISPERING PINES, INC. (Moore County) — By Consent, the Commission, effective July 1, 1986, fined Whispering Pines, Inc., developer of the time share project Whispering Pines Time Share Villas, \$5000 and suspended for two years the project's registration certificate. The Commission then suspended its Order and placed Whispering Pines, Inc. on probation for eighteen months on condition that certain time share units be ready for occupancy by a certain date and provided that various other conditions imposed by the Commission are satisfied. The Commission found that Whispering Pines, Inc. had issued deeds to time share condominium units which had not been converted for use as condominiums; that a corporation not licensed as a real estate broker had been employed to market time shares at the project which corporation used an improper mail solicitation to attract purchasers to the project and employed an unlicensed person to act as "takeover" salesman to close time share sales; that two other improper mail solicitations had been used to attract time share purchasers; and that an unlicensed person directed the sales operation and engaged in time share sales activities at the project.

MARY LOUISE WHITLEY (Albemarle) — The Commission suspended Mrs. Whitley's broker's license for one year effective November 1, 1986. Six months of the suspension are to be active and one year on probation. The Commission found that Mrs. Whitley had failed to inform a lender of a conveyance of property owned by her which was subject to a "due on sale" clause, and that she had made a false promise to purchase property from a seller in order to induce the seller to purchase property listed by her. The Commission also found that she had failed to deposit an earnest money deposit in her trust account and had failed to maintain transaction records for three years following the transaction.

(Continued on Page 6)

PERCENTAGES FOR PRO-RATING ANNUAL REAL ESTATE TAXES

January		February		March		April		May		June	
1 ...	.14	1 ...	8.77	1 ...	16.44	1 ...	24.93	1 ...	33.15	1 ...	41.64
2 ...	.55	2 ...	9.04	2 ...	16.71	2 ...	25.21	2 ...	33.42	2 ...	41.92
3 ...	.82	3 ...	9.31	3 ...	16.99	3 ...	25.48	3 ...	33.70	3 ...	42.19
4 ...	1.10	4 ...	9.59	4 ...	17.26	4 ...	25.75	4 ...	33.97	4 ...	42.47
5 ...	1.37	5 ...	9.86	5 ...	17.53	5 ...	26.03	5 ...	34.25	5 ...	42.74
6 ...	1.64	6 ...	10.14	6 ...	17.81	6 ...	26.30	6 ...	34.52	6 ...	43.01
7 ...	1.92	7 ...	10.41	7 ...	18.08	7 ...	26.58	7 ...	34.79	7 ...	43.29
8 ...	2.19	8 ...	10.68	8 ...	18.36	8 ...	26.85	8 ...	35.07	8 ...	43.56
9 ...	2.47	9 ...	10.96	9 ...	18.63	9 ...	27.12	9 ...	35.34	9 ...	43.84
10 ...	2.74	10 ...	11.23	10 ...	18.90	10 ...	27.40	10 ...	35.62	10 ...	44.11
11 ...	3.01	11 ...	11.51	11 ...	19.18	11 ...	27.67	11 ...	35.89	11 ...	44.38
12 ...	3.29	12 ...	11.78	12 ...	19.45	12 ...	27.94	12 ...	36.16	12 ...	44.66
13 ...	3.56	13 ...	12.05	13 ...	19.73	13 ...	28.22	13 ...	36.44	13 ...	44.93
14 ...	3.84	14 ...	12.33	14 ...	20.00	14 ...	28.49	14 ...	36.71	14 ...	45.21
15 ...	4.11	15 ...	12.60	15 ...	20.27	15 ...	28.77	15 ...	36.99	15 ...	45.48
16 ...	4.38	16 ...	12.88	16 ...	20.55	16 ...	29.04	16 ...	37.26	16 ...	45.75
17 ...	4.66	17 ...	13.15	17 ...	20.82	17 ...	29.31	17 ...	37.53	17 ...	46.03
18 ...	4.93	18 ...	13.42	18 ...	21.10	18 ...	29.59	18 ...	37.81	18 ...	46.30
19 ...	5.21	19 ...	13.70	19 ...	21.37	19 ...	29.86	19 ...	38.08	19 ...	46.57
20 ...	5.48	20 ...	13.97	20 ...	21.64	20 ...	30.14	20 ...	38.36	20 ...	46.85
21 ...	5.75	21 ...	14.25	21 ...	21.92	21 ...	30.41	21 ...	38.63	21 ...	47.12
22 ...	6.03	22 ...	14.52	22 ...	22.19	22 ...	30.68	22 ...	38.90	22 ...	47.40
23 ...	6.30	23 ...	14.79	23 ...	22.47	23 ...	30.96	23 ...	39.18	23 ...	47.67
24 ...	6.58	24 ...	15.07	24 ...	22.74	24 ...	31.23	24 ...	39.45	24 ...	47.94
25 ...	6.85	25 ...	15.34	25 ...	23.01	25 ...	31.51	25 ...	39.73	25 ...	48.22
26 ...	7.12	26 ...	15.62	26 ...	23.29	26 ...	31.78	26 ...	40.00	26 ...	48.49
27 ...	7.40	27 ...	15.89	27 ...	23.56	27 ...	32.05	27 ...	40.27	27 ...	48.77
28 ...	7.67	28 ...	16.16	28 ...	23.84	28 ...	32.33	28 ...	40.55	28 ...	49.04
29 ...	7.95			29 ...	23.11	29 ...	32.60	29 ...	40.82	29 ...	49.31
30 ...	8.22			30 ...	24.38	30 ...	32.88	30 ...	41.10	30 ...	49.59
31 ...	8.49			31 ...	24.66			31 ...	41.37		

July		August		September		October		November		December	
1 ...	49.86	1 ...	58.36	1 ...	66.85	1 ...	75.07	1 ...	83.56	1 ...	91.78
2 ...	50.14	2 ...	58.63	2 ...	67.12	2 ...	75.34	2 ...	83.83	2 ...	92.05
3 ...	50.41	3 ...	58.90	3 ...	67.40	3 ...	75.62	3 ...	84.11	3 ...	92.33
4 ...	50.68	4 ...	59.18	4 ...	67.67	4 ...	75.89	4 ...	84.38	4 ...	92.60
5 ...	50.96	5 ...	59.45	5 ...	67.94	5 ...	76.16	5 ...	84.66	5 ...	92.88
6 ...	51.23	6 ...	59.73	6 ...	68.22	6 ...	76.44	6 ...	84.93	6 ...	93.15
7 ...	51.51	7 ...	60.00	7 ...	68.49	7 ...	76.71	7 ...	85.20	7 ...	93.42
8 ...	51.78	8 ...	60.27	8 ...	68.77	8 ...	76.99	8 ...	85.48	8 ...	93.70
9 ...	52.05	9 ...	60.55	9 ...	69.04	9 ...	77.26	9 ...	85.75	9 ...	93.97
10 ...	52.33	10 ...	60.82	10 ...	69.31	10 ...	77.53	10 ...	86.03	10 ...	94.25
11 ...	52.60	11 ...	61.10	11 ...	69.59	11 ...	77.81	11 ...	86.30	11 ...	94.52
12 ...	52.88	12 ...	61.37	12 ...	69.86	12 ...	78.08	12 ...	86.57	12 ...	94.79
13 ...	53.15	13 ...	61.64	13 ...	70.14	13 ...	78.36	13 ...	86.85	13 ...	95.07
14 ...	53.42	14 ...	61.92	14 ...	70.41	14 ...	78.63	14 ...	87.12	14 ...	95.34
15 ...	53.70	15 ...	62.19	15 ...	70.68	15 ...	78.90	15 ...	87.40	15 ...	95.62
16 ...	53.97	16 ...	62.47	16 ...	70.96	16 ...	79.18	16 ...	87.67	16 ...	95.89
17 ...	54.25	17 ...	62.74	17 ...	71.23	17 ...	79.45	17 ...	87.94	17 ...	96.16
18 ...	54.52	18 ...	63.01	18 ...	71.51	18 ...	79.73	18 ...	88.22	18 ...	96.44
19 ...	54.79	19 ...	63.29	19 ...	71.78	19 ...	80.00	19 ...	88.49	19 ...	96.71
20 ...	55.07	20 ...	63.56	20 ...	72.05	20 ...	80.27	20 ...	88.77	20 ...	96.99
21 ...	55.34	21 ...	63.84	21 ...	72.33	21 ...	80.55	21 ...	89.04	21 ...	97.26
22 ...	55.62	22 ...	64.11	22 ...	72.60	22 ...	80.82	22 ...	89.31	22 ...	97.53
23 ...	55.89	23 ...	64.38	23 ...	72.88	23 ...	81.10	23 ...	89.59	23 ...	97.81
24 ...	56.16	24 ...	64.66	24 ...	73.15	24 ...	81.37	24 ...	89.86	24 ...	98.08
25 ...	56.44	25 ...	64.93	25 ...	73.42	25 ...	81.64	25 ...	90.14	25 ...	98.36
26 ...	56.71	26 ...	65.20	26 ...	73.70	26 ...	81.92	26 ...	90.41	26 ...	98.63
27 ...	56.99	27 ...	65.48	27 ...	73.97	27 ...	82.19	27 ...	90.68	27 ...	98.90
28 ...	57.26	28 ...	65.75	28 ...	74.25	28 ...	82.46	28 ...	90.96	28 ...	99.18
29 ...	57.53	29 ...	66.03	29 ...	74.52	29 ...	82.74	29 ...	91.23	29 ...	99.45
30 ...	58.08	30 ...	66.30	30 ...	74.79	30 ...	83.01	30 ...	91.51	30 ...	99.73
		31 ...	66.57			31 ...	83.29			31 ...	100.00

AUCTIONING REAL ESTATE

Real Estate brokers are sometimes asked to sell property at auction; however, certain licensing and procedural requirements must first be met in order to do so.

Should a property owner wish to contract with a licensed real estate broker to conduct an auction of his property (both real and personal), the broker must first obtain an auction firm license (no examination required) and then employ a licensed auctioneer to cry the sale. Under this cooperative arrangement, the "broker/auction firm" would advertise the auction, describe at the auction the property to be sold, maintain and account for all monies received at the auction, deliver the various documents to the parties, and perform other functions normally associated with conducting auctions and brokering real estate; the broker cannot, however, cry any bids.

The auctioneer would cry the bids for both the real estate and the personal property and could also assist the "broker/auction firm" by performing any of the above acts or similar acts with respect to any personal property to be sold.

For further information concerning auctioneer and auction firm licenses, contact the North Carolina Auctioneer Licensing Board, Suite 306 — Haworth Building, 3509 Haworth Drive, Raleigh, North Carolina 27609 (Phone 919/733-2182). □

DISCIPLINARY ACTION

(Continued from Page 4)

DUDLEY B. WILLIAMS, JR. (Oxford) — By Consent, the Commission reprimanded Mr. Williams for failing to disclose soil reports to a potential purchaser of real estate.

MARILYN L. WILLIAMS (Oxford) — By Consent, the Commission reprimanded Mrs. Williams for failing to disclose soil reports to a potential purchaser of real estate.

JETER C. YOUNG, JR. (Wilmington) — By Consent, the Commission reprimanded Mr. Young for sharing brokerage fees with an unlicensed brokerage corporation by which he was employed. □

WHO WE GONNA CALL? THE GHOST BROKER

The following article written by Commission Executive Director Phillip T. Fisher was first published in the North Carolina Association of REALTORS "Tar Heel REALTOR." Because it addresses a problem of special and continuing concern to the Real Estate Commission, it is being reprinted in this "Bulletin."

In preparing for your real estate licensing examination, you no doubt spent countless hours pouring over the definitions of such legal/technical terms as "eminent domain," "functional obsolescence," "adverse possession," etc. But one term which you probably have not encountered either before or since receiving your license is the term "ghost broker." For the uninformed, it can be defined as follows:

"GHOST BROKER — A licensed real estate broker who serves in name only as broker-in-charge of a real estate firm or time share project but who does not, in fact, perform the duties of a Broker-in-Charge. See also 'Straw Broker'."

With increasing frequency, the Real Estate Commission has discovered incidents involving real estate brokers who have "loaned" their licenses to brokerage companies and time share projects because the owners of the companies did not themselves possess the requisite broker license. The licensed brokers were paid a nominal fee for the use of their licenses, but either unlicensed persons or "under-licensed" persons (i.e., licensed salesmen) controlled every aspect of the operations of the company.

For example, the unlicensed persons controlled the advertising. They controlled

all monies received. They controlled the recordkeeping. And they controlled, or failed to control, the actions of their salesmen, often to the detriment of innocent and unsuspecting consumers. Although these functions were legally the responsibility of the licensed Brokers-in-Charge, they failed to exercise their authority and instead stood idly by while their employers directed the operations of the company. And as a result of their failure to properly carry out their duties and responsibilities as Brokers-in-Charge, they were duly disciplined by the Real Estate Commission.

Fortunately, the number of instances of "ghost brokering" in its purest and most extreme form appears to be small. However, it does demonstrate the necessity for Brokers-in-Charge to accept and conscientiously carry out the various duties imposed upon them by the Real Estate Commission's Rules and Regulations; namely, the responsibility for displaying the license certificates and renewal stickers of the brokers and salesmen at their office; notifying the Real Estate Commission of business name/address changes; overseeing the advertising; maintaining transaction and trust account records; and supervising the daily real estate activities of all licensed salesmen at the office.

These responsibilities cannot be assigned or delegated to others. Consequently, if the Real Estate Commission receives a consumer complaint, and we find that the activities of the company or individuals complained against are not being supervised by the Broker-in-Charge "Who we gonna call? The 'Ghost Broker'."

Seasons Greetings

EXAM RESULTS

	<u>Passed</u>	<u>Failed</u>
JULY, 1986		
Brokers	220	175
Salesmen	885	476
AUGUST, 1986		
Brokers	115	130
Salesmen	446	373
SEPTEMBER, 1986		
Brokers	144	174
Salesmen	776	558
OCTOBER, 1986		
Brokers	103	142
Salesmen	523	313
NOVEMBER, 1986		
Brokers	95	98
Salesmen	516	370

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