

## NORTH CAROLINA REAL ESTATE COMMISSION

# Real Estate Bulletin

Volume 18

1987

Number 1

### "SOLD SIGNS" REVISITED



In the previous issue of the *Real Estate Bulletin*, an article from the Georgia Real Estate Commission's newsletter was reprinted in which the Georgia Commission instructed its licensees not to place "SOLD" signs on properties before the sales transaction had closed. According to the article, "Placing a 'SOLD' sign on a property on which the parties have not fully executed the provisions of the sales agreement is misleading and inaccurate," and that "Licensees who wish to indicate on a sign that a sales agreement has been signed on a particular property should consider using language such as 'under contract', 'contract pending', or 'sale pending'."

The North Carolina Real Estate Commission published the article, as it does many articles, for the edification of its licensees, and to keep licensees abreast of the real estate and license law trends in other jurisdictions. The "SOLD" sign article represents the current law of Georgia. The North Carolina courts have not adopted the decision, but it is conceivable that they could do so in the future.

A technical analysis of the issue indicates that the most accurate representation of the state of reality that has a contract on it, but has not gone to closing, is that the property is **under contract** but not yet **sold** as the public commonly understands the meaning of the word, "sold". Therefore, it would be more accurate to place on the property a sign reading, "Under contract", "SALE PENDING", or some similar term.

The North Carolina Real Estate Commission agrees in principle with this analysis. Licensees may wish to consider ordering "SALE PENDING" signs as their old "SOLD" signs wear out. ☐

### NORTH CAROLINA REAL ESTATE COMMISSION 1957-1987

As the licensing and regulation of the real estate profession in North Carolina completes its 30th year, it is perhaps an appropriate time to pause and reflect on the dramatic changes which have transpired in the real estate marketplace during this period and transformed the industry into a most challenging and complex field of business endeavor.

During this period, the concepts of condominium and time sharing emerged. Fair housing laws were passed and implemented. An almost endless variety of "creative financing" tools and techniques arose. And the consumer protection movement changed significantly the business relationship between real estate agents and consumers. Simplistic sales contracts and leases expanded to address the multitude of legal and practical concerns of modern-day real estate consumers.

Agents confederated into franchised companies. Many companies merged. Others were consumed by national conglomerates—insurance companies, department stores, stock brokerage houses. And the advent of women in the board rooms and "bullpens" of real estate offices added a new and dynamic dimension to the work force, further heightening the competition for real estate clients, customers and properties.

During these past three decades, the gov-

ernmental body responsible for regulatory oversight of North Carolina's real estate industry was also forced to adapt and adjust to this more sophisticated and complicated marketplace. The composition of the Real Estate Commission was expanded to include two "public members", with membership on the Commission requiring a commitment of nearly one week per month in order for the members to keep pace with the press of business. Its staff of administrators, attorneys, investigators, clerks and secretaries grew as new programs and areas of responsibility were assigned to or undertaken by the Commission and as existing programs and functions swelled in response to the state's rapidly expanding licensee population: 10,000 brokers and salesmen in 1970, 46,000 in 1980, and more than 70,000 today.

Yet over the past 30 years, despite the changing trends and pressures encountered by real estate agents and the Real Estate Commission as a result of this dynamic and demanding real estate marketplace, our common mission remains: To provide competent and conscientious real estate service to the public. Towards this goal, the Commission looks forward to your continued cooperation over the next 30 years, and it extends to you its best wishes for your success in every real estate endeavor. ☐

### COMMISSION INFORMATION BROCHURE

In order to promote a better understanding of the functions, programs and organization of the N.C. Real Estate Commission among real estate licensees and consumers, an informational brochure is being published. Every new licensee will receive a copy and, for the benefit of persons already licensed, the brochure has been reprinted in its entirety on pages 3 through 5 of this *Bulletin*. ☐

## 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

1200 Navaho Drive  
P.O. Box 17100  
Raleigh, North Carolina 27619  
Phone 919/733-9580  
James G. Martin, Governor

### COMMISSION MEMBERS

A. P. Carlton ..... Greensboro  
Chairman  
Gilbert L. Boger ..... Mocksville  
Vice-Chairman  
Patricia B. Casey ..... Raleigh  
LaNelle Clontz ..... Wrightsville Beach  
Elmer C. Jenkins ..... Blowing Rock  
Ernest C. Pearson ..... Raleigh  
J. Edward Poole ..... Spring Lake

Phillip T. Fisher ..... Executive Director  
L. Ted Gayle ..... Dir. Audits/Invest.  
Mary Frances Whitley ..... Fin. Officer  
Larry A. Outlaw ..... Education Director  
Mike Hughes ..... Asst. Ed. Dir.  
Thomas R. Miller ..... Legal Counsel  
Asst. Attorney General  
Blackwell M. Brogden, Jr. ..... Dep. Legal  
Counsel  
Robin Hammond Clark ..... Legal Inf. Off.  
Margaret A. Lamar ..... Cons. Info. Analyst

### EXAM RESULTS

	Passed	Failed
FEBRUARY, 1987		
Brokers	123	163
Salesmen	385	466
MARCH, 1987		
Brokers	229	133
Salesmen	783	344
APRIL, 1987		
Brokers	140	136
Salesmen	603	420

# RENEW EARLY

## EDUCATION NEWS

... A record 150 real estate instructors and other persons involved in real estate education attended the **1987 Real Estate Instructor Workshop** in Raleigh which was planned and conducted by Education Director **Larry A. Outlaw** and Assistant Education Director **Mike Hughes**, assisted by Education Secretary **Penny Childress**. ... At the invitation of the North Carolina Association of REALTORS, Education Director Larry Outlaw is participating in its joint subcommittee with the North Carolina Bar Association on real estate forms. ... The Real Estate Commission at its April meeting approved the printing and delivery of **It's Your Move** booklets to North Carolina high schools for the 1987-88 school year. Since 1979, nearly 250,000 copies of this publication have been supplied which give today's high school students—tomorrow's real estate consumers

—basic information concerning buying, selling and renting real estate. ... The National Association of Real Estate License Law Officials (NARELLO) has announced the publication of its 1987 **Digest of Real Estate License Laws** which can be purchased by contacting NARELLO at (801) 298-5572. ... Due to the growing popularity of the Commission's **Trust Account Short Course** (see below), the Commission has at times been unable to accommodate persons requesting to take the course on a particular date. Every effort is being made to schedule these persons for later dates, and the offering of more and/or larger sessions is being considered. The Commission appreciates your interest in this valuable educational offering and requests your patience and understanding while it adjusts to this increased demand. □

## SALES TAX ON SECURITY DEPOSITS

by

North Carolina Department of Revenue

Under the provisions of G.S. 105-164.4(3), operators of hotels, motels, tourist homes, tourist camps and similar type businesses and persons who rent private residences and cottages to transients for consideration are liable for the 3% state and applicable local sales tax on the gross receipts derived from the rental of any room or rooms, lodgings or accommodations furnished to transients for a consideration.

The term "gross receipts" includes amounts charged by such retailers to their customers for *security deposits*. The sales tax should be charged to the customer for

the room, lodging or accommodation and the *security deposit*. If the *security deposit* or any part of the deposit is refunded to the customer, the tax charged on the amount so refunded should also be credited or refunded to the customer.

The sales tax must be remitted to the Department of Revenue on the *security deposit* or any part of the deposit not refunded or credited to the customer.

For further information, contact a Department of Revenue Field Office or the Sales and Use Tax Division (919/733-3661). □

## TRUST ACCOUNT SHORT COURSE

### Registration Form

1. The Trust Account Short Course is designed to bring participants up-to-date on current laws, rules and procedures governing the handling of client funds and to assist real estate firms in developing good bookkeeping and recordkeeping practices.
2. Any real estate licensee, trust account bookkeeper or other person who handles real estate trust funds or accounts may attend.
3. These free courses require 3-3½ hours to complete and are offered monthly in Raleigh at the McKimmon Center beginning at 1:00 p.m.
4. Registration forms must be received in the Commission Office at least 10 days prior to the course. Registrations will be confirmed in writing giving registrants more detailed information concerning the location and content of this course.

I wish to attend the following Trust Account Short Course:

☐ June 16

☐ July 28

☐ August 18

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

Mail to N.C. Real Estate Commission, P.O. Box 17100, Raleigh, NC 27619-7100 Attn: Ms. Hamm

# NORTH CAROLINA REAL ESTATE COMMISSION

P.O. Box 17100

Raleigh, North Carolina 27619-7100

Phone 919/733-9580

**Q. What is the Real Estate Commission?**

**A.** The North Carolina Real Estate Commission ("Commission") is an independent state *governmental agency*. It should not be confused with the North Carolina Association of REALTORS (or its local Boards) which is a *trade organization* whose members are known as "REALTORS."

**Q. What is the Real Estate Commission's function?**

**A.** The Commission's primary function is to license and regulate real estate agents (persons who sell, lease, etc. real estate for others). North Carolina's 70,000-plus real estate agents are licensed as either *brokers* or *salesmen*.

The Commission also registers and regulates sales activities at time share projects, where ownership in a single living unit (usually a resort condominium) is shared by many persons. *Time share salesmen* must also hold either *broker* or *salesman* licenses.

**Q. Can the Real Estate Commission give consumers legal advice or help them settle disputes with real estate agents?**

**A.** No. The Commission cannot enforce contracts or require real estate agents to fulfill promises, reimburse money, or perform other acts. Persons who feel that money is owed to them in a real estate transaction or that a sales contract, lease, etc. has been breached should consult their private attorney for advice and assistance.

**Q. What types of consumer complaints should be reported to the Real Estate Commission?**

**A.** Buyers, sellers, landlords, tenants and other persons involved in real estate transactions who believe that they have been defrauded or victimized by the improper or incompetent acts of a real estate broker or salesman should report their complaints to the Real Estate Commission.

**Q. What happens when a complaint is filed with the Real Estate Commission?**

**A.** (1) Persons who wish to file complaints against real estate brokers or salesmen (including time share salesmen) should first obtain a "Complaint Form" from the Commission office. (Use of this

form enables the Commission staff to more efficiently conduct its inquiry of the more than 1000 complaints received each year.)

(2) Complaints are reviewed by the Commission's legal staff and, if appropriate, an investigation or other inquiry is conducted by the Commission's investigators or auditors.

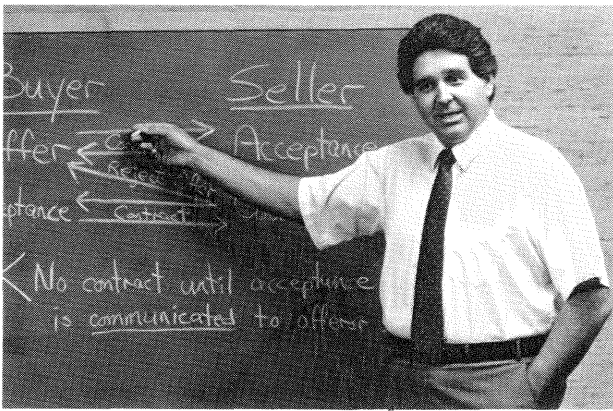
(3) If, following an investigation or other inquiry, it is determined that there appears to be sufficient proof ("probable cause") that the agent has violated the Real Estate License Law or one of the Real Estate Commission's Rules, a hearing is ordered. (Note: The Commission's hearings are conducted in accordance with the Administrative Procedures Act, NCGS Chapter 150B.) During the hearing the Commission receives the sworn testimony of witnesses and affords the agent the opportunity to answer the charges and present evidence in his or her defense.

(4) If, based upon the evidence, the Commission finds that the agent has violated the Real Estate License Law or Rules, it can either (1) *reprimand* the agent; (2) *suspend* the agent's real estate license for a definite period of time; (3) *revoke* the agent's license; or (4) in the case of time share transactions, *fine* the time share project's developer. (Note: Decisions of the Commission may be appealed through the court system.)

**Q. Can the Real Estate Commission assist persons whose funds have been fraudulently taken by a real estate agent?**

**A.** Persons who give down payments, earnest money deposits and other trust monies to licensed real estate brokers or salesmen to be held pending the completion of real estate transactions, and whose funds are converted or embezzled by the broker or salesman, may, *under certain specific conditions*, receive compensation from a *Real Estate Recovery Fund* which is maintained by the Commission. (For information concerning the procedures and requirements for receiving payment from the Recovery Fund, interested persons should contact the Real Estate Commission's Legal Department.)

(Continued on page 4)



## EDUCATIONAL PROGRAMS AND MATERIALS

**North Carolina Real Estate for Brokers and Salesmen.** Textbook for North Carolina real estate students and practitioners. (Available at bookstores and from Prentice-Hall, Inc. 1-800-223-1310.)

**Real Estate Licensing in North Carolina.** Booklet containing general information on real estate licensing, the Real Estate License Law, Commission Rules, Trust Account Guidelines, Study Guide, and License Application Form. (Available without charge from Commission office.)

**It's Your Move.** Student and Teacher's manuals designed to give high school students basic consumer housing information. (Furnished without charge to North Carolina high schools.)

**Real Estate Bulletin.** Quarterly newsletter distributed to North Carolina real estate brokers and salesmen.

**Real Estate Course Syllabi.** Syllabi prepared by the Commission Education Staff for use by real estate prelicensing course instructors. (Available to institutions which offer real estate courses approved by the Commission.)

**A Limburger Transaction.** Audio-visual (video cassette) program depicting various forms of misrepresentation in real estate transactions. (Available for purchase by schools and for use without charge by licensee groups.)

**Trust Account Short Course.** Three-hour course (including slide presentation) on procedures and requirements for proper handling and accounting of client funds. (Conducted monthly by Commission staff without charge for North Carolina real estate agents and trust account bookkeepers on a preregistration basis.)

**Instructor Workshop.** Two-day annual workshop for certified real estate instructors and other persons involved in real estate education. (Coordinated by Commission Education Staff and conducted on a preregistration basis.)

**Blanton Little Memorial Scholastic Achievement Award and Joe Schweidler Memorial Scholarship.** Scholarships established in honor and memory of former Commission Executive Directors and awarded to students who have demonstrated outstanding scholastic achievement each year at the North Carolina REALTORS' Institute.

## DEPARTMENTS AND PERSONNEL

### REAL ESTATE COMMISSION AND EXECUTIVE DIRECTOR

**Commission:** Consists of seven volunteer members appointed by the Governor. At least two members *must be* engaged in the real estate business, and at least two "public members" *must not be* involved in the real estate business.

**Function:** Responsible for policy-making with regard to licensing and regulatory matters governing North Carolina real estate agents. Also conducts hearings and takes disciplinary action against licensees for violations of the Real Estate License Law and Commission Rules.

**Executive Director:** Responsible for overall administration of the Commission's staff, programs and operations in accordance with the policies and directives of the Commission.

### ADMINISTRATION

**Staff:** Financial Officer and Secretarial Support Staff.

**Functions:** Responsible for personnel management, financial management, purchasing, and general and technical support (microfilming, computerization, etc.) services.



### LICENSING

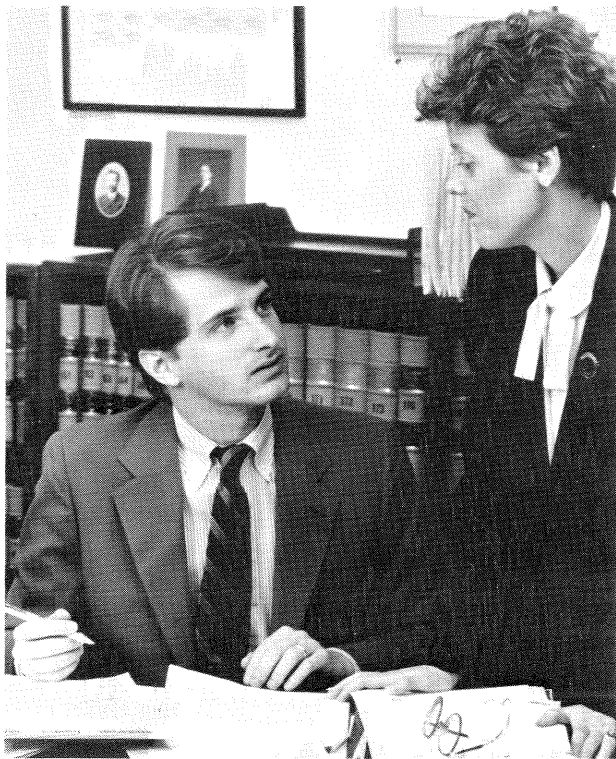
**Staff:** License Clerks, Record Clerks, and License Application Clerk

**Functions.** 1. Process applications for real estate licenses.  
2. Schedule applicants for real estate license examinations.  
3. Report exam scores to applicants and issue licenses.  
4. Maintain records on real estate brokers, salesmen, brokerage corporations, and time share projects.  
5. Process applications for annual renewal of licenses.

## EDUCATION

**Staff:** Education Director, Assistant Education Director, and Support Staff.

**Functions:** 1. Develop standards and materials for real estate prelicensing courses.  
2. Approve schools and instructors conducting real estate prelicensing courses.  
3. Develop and administer real estate license examination program.



## LEGAL

**Staff:** Legal Counsel (Assistant Attorney General), Deputy Legal Counsel, Legal Information Officer, Consumer Information Analyst, and Support Staff.

**Functions:** 1. Conduct inquiries and coordinate investigations of consumer complaints against real estate agents and time share salesmen.  
2. Prosecute charges against licensees at hearings before the Real Estate Commission.  
3. Provide legal counsel to the Real Estate Commission.

## INVESTIGATIVE

**Staff:** Director of Audits and Investigations, Investigators, Trust Account Auditors, and Support Staff.

**Functions:** 1. Investigate complaints against real estate agents and time share sales and management personnel.  
2. Examine trust accounts of real estate firms and time share projects.

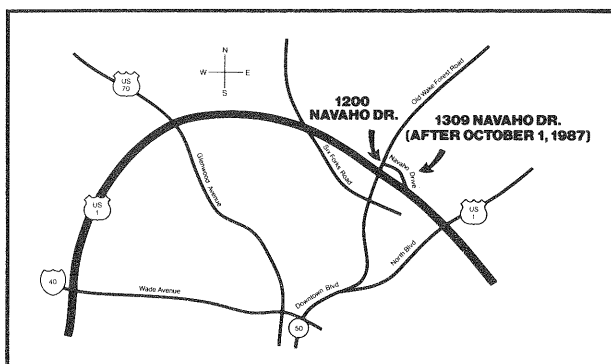
## INFORMATION DIRECTORY

(919) 733-9580

<i>Subject</i>	<i>Ask For</i>
<i>Applications for Licenses . . . . .</i>	<i>Application Clerk</i>
<i>Broker-In-Charge Records . . . . .</i>	<i>Records Department</i>
<i>Corporation Licenses . . . . .</i>	<i>License Clerk</i>
<i>Education Courses &amp; Programs . . .</i>	<i>Education Department</i>
<i>Exam Results . . . . .</i>	<i>License Clerk</i>
<i>Exam Reviews . . . . .</i>	<i>Education Secretary</i>
<i>Exam Scheduling . . . . .</i>	<i>Application Clerk</i>
<i>Financial, Personnel, Administration . . . . .</i>	<i>Financial Officer</i>
<i>Hearing Arrangements &amp; Information . . . . .</i>	<i>Legal Secretary</i>
<i>Instructor Inquiries . . . . .</i>	<i>Asst. Education Director</i>
<i>Investigation Status . . . . .</i>	<i>Dir. of Audits &amp; Invest.</i>
<i>Legal Inquiries . . . . .</i>	<i>Legal Department</i>
<i>Consumer Complaints &amp; Inquiries . . . . .</i>	<i>Legal Information Officer, Consumer Information Analyst, Legal Secretary</i>
<i>Licensee Inquiries . . . . .</i>	<i>Legal Information Officer</i>
<i>Time Share Complaints &amp; Inquiries . . . . .</i>	<i>Consumer Inf. Analyst</i>
<i>License History Certifications . . . .</i>	<i>Records Clerk</i>
<i>Qualifications for Licenses . . . . .</i>	<i>Applications Clerk</i>
<i>Equivalent Education/ Experience . . . . .</i>	<i>Asst. Education Director</i>
<i>Reciprocal (Nonresident) Licenses . .</i>	<i>License Clerk</i>
<i>Record Changes for Licensees (Address, Name, etc.) . . . . .</i>	<i>Records Department</i>
<i>Reinstatement of Licenses . . . . .</i>	<i>License Clerk</i>
<i>Renewal of Licenses . . . . .</i>	<i>Records Department</i>
<i>Salesman License Transfer . . . . .</i>	<i>Records Department</i>
<i>Time Share Records . . . . .</i>	<i>Time Share Clerk</i>
<i>Trust Account Courses . . . . .</i>	<i>Administrative Sec.</i>

\* The Real Estate Commission is not authorized to give legal advice or answer questions on legal subjects other than the North Carolina Real Estate License Law (G.S. 93A) or the Rules and Regulations promulgated by the Real Estate Commission (21 NCAC 58 A and B)

## Directions To North Carolina Real Estate Commission Office





## LICENSE RENEWALS IN THE MAIL

On May 12, real estate license renewal forms were mailed to North Carolina's 73,000 real estate brokers, salesmen, and corporations. If you have not received your renewal application by June 1, you should contact the Real Estate Commission office.

To renew your license, simply check to see that your name, address and license number are correctly shown on the renewal application (strike through and correct any incorrect information on the form), and return the form and your \$20 renewal fee check to the Commission in the return envelope provided. In addition, Brokers-In-Charge of real estate offices must verify that they are properly shown on the renewal application of each salesman working in their office, and Principal Brokers of real estate brokerage corporations must verify that they are properly shown on the renewal application of the corporation. For changes other than address, the Real Estate Commission will follow up and advise you as to any additional documentation which may be required in order to effect the change.

Upon receipt of your renewal application and fee, a "pocket card" will be promptly issued to you evidencing the renewal of your real estate license for the period July 1, 1987-June 30, 1988.

NORTH CAROLINA REAL ESTATE COMMISSION P.O. Box 17100 Raleigh, NC 27619-7100 REAL ESTATE LICENSE RENEWAL		
LICENSEE		
LICENSE NUMBER	EXPIRATION DATE	TYPE
LICENSEE'S SIGNATURE <i>Philip T. Fisher</i> EXECUTIVE DIRECTOR		

The "pocket card" replaces the "renewal sticker" which was previously used as proof of license renewal. (Licensees may feel free to remove their renewal stickers from their license certificates.)

All real estate licenses expire on June 30. Therefore, your properly completed renewal application and fee must be received in the Commission office by June 30 to avoid expiration of your license. Persons filing renewal applications which are received after June 30 must pay a \$5 late filing fee. And persons who fail to renew their licenses within one year following expiration are required to file a new Application for Real Estate License (including photo, character reference, etc.) if they wish to have their licenses reinstated; in addition, those persons may be required to retake all real estate education and the licensing examination in order to have their licenses reinstated. ☐

## GEORGIA ADOPTS NEW LICENSING REQUIREMENTS FOR NONRESIDENTS

Effective July 1, 1987, persons applying for nonresident Georgia real estate licenses must satisfy a new set of qualification requirements, as follows:

### Real Estate Education

Applicants for salesperson licenses must have completed at least 60 classroom hours of salesperson prelicense education. [North Carolina residents who have completed an approved Real Estate Fundamentals Course consisting of at least 60 classroom hours or the Fundamentals and one advanced course (Law, Finance, Brokerage Operations) would meet this requirement.]

Applicants for broker licenses must have completed at least 120 classroom hours of real estate education. [North Carolina residents who have completed the approved series of Fundamentals, Law, Finance and Brokerage Operations courses would meet this requirement.]

### Licensing Examination

North Carolina residents who have passed the North Carolina real estate licensing examination within 10 years prior to filing their application for a Georgia real estate license will be required to take only that portion of the Georgia real estate licensing examination related to Georgia law.

### Application Documents

North Carolina residents would continue to (1) pay the necessary Georgia licensing

fees; (2) furnish a certification of license history (available from the North Carolina Real Estate Commission office for \$10); (3) execute a "consent to jurisdiction"; (4) execute an agreement to cooperate with the Georgia Real Estate Commission in the investigation of any complaints filed against the licensees for activities involving their Georgia real estate licenses; and (5) *in the case of persons applying for salesperson licenses*, furnish proof that they are affiliated with either a resident or a nonresident real estate broker.

### "Grandfather Provisions"

North Carolina residents who hold nonresident Georgia licenses as of June 30, 1987, can retain their Georgia licenses without meeting the new requirements, but their licenses will be cancelled should they later become residents of Georgia.

However, licenses obtained after July 1 (i.e., licenses obtained by satisfying the new qualification requirements) can be converted from nonresident to resident status without additional education or examination if the licensee applies for a resident license within 90 days of becoming a Georgia resident.

For further information regarding Georgia's new licensing requirements and its continuing education requirements, contact: Georgia Real Estate Commission, 40 Pryor Street SW, Atlanta, Georgia 30303-3184, Phone 404/656-3916. ☐

## TOWNHOUSE OR CONDO? For Your Information

**Townhouse** owners individually own their units and the land on which they are situated, but title to "common areas" is usually owned by the unit owners' association that is established by deed restrictive covenants. Townhouse developments are not governed by any specific statute.

**Condominium** owners individually own their units, and they also own an undivided share, along with all other unit owners, in the common areas or elements (which includes the land on which the units are situated). Condominium is a form of ownership specific-

ally governed by statute and established by recording a Declaration of Condominium in the county where the property is located.

A condominium and townhouse cannot be distinguished by appearance alone. Only a check of records in the Register of Deeds office will provide an answer to the "townhouse or condo" question. Agents should not assume that a unit to be transferred by deed is a condominium and should also not confuse the townhouse architectural concept with the townhouse legal concept. ☐

# 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.*

**AL-ED CORPORATION (Dare County)**—By Consent, the Commission, effective March 12, 1987, fined AL-ED Corporation, developer of the time share project Ocean Pines, \$13,500 for paying sales commissions to unlicensed salesmen.

**EDITH KAREN AUSTIN; SALVO ASSOCIATES, INC. (Salvo)**—By Consent, the Commission revoked Ms. Austin's broker's license effective April 17, 1987 and the corporate real estate broker's license of Salvo Associates, Inc. t/a Austin Realty effective May 1, 1987. The Commission found that Ms. Austin had deposited funds into an interest bearing account and an operating account of Austin Realty without making reference on the deposit slips to the transactions involved, and that she had subsequently disbursed to herself certain trust funds to which she was not entitled. The Commission also found that she had failed to remit rents to property owners and that she had commingled trust funds with her own funds.

**DORIS L. BENTON (Atlantic Beach)**—By Consent, the Commission suspended Ms. Benton's broker's license for ninety days effective May 1, 1987. The Commission then suspended its Order and placed Ms. Benton on probation for one year. The Commission found that Ms. Benton had failed to deliver to a time share purchaser a public offering statement or a copy of the rescission right notice included with the sales contract.

**ERNEST CLYDE CAMP, JR.; NORTH STATE PROPERTIES, INC. (Chapel Hill)**—By Consent, the Commission revoked Mr. Camp's broker's license and the corporate real estate broker's license of North State Properties, Inc. effective May 1, 1987. The Commission found that Mr. Camp, as president, Principal Broker and Broker-in-Charge of North State Properties, Inc., had failed to deposit and maintain in a trust account certain earnest money deposits and sales proceeds collected on behalf of a property owner and that he further failed to account for and remit these funds to buyers and sellers in a prompt and timely manner.

**TONY CARR (Charlotte)**—By Consent, the Commission suspended Mr. Carr's salesman's license for thirty days effective February 13, 1987 for negligently representing to purchasers in a real estate transaction that they were covered and protected by a "Sellers Protection Plan".

**DAVID J. CAUSEY (Dare County)**—By Consent, the Commission suspended Mr. Causey's broker's license for three years effective March 1, 1987. The Commission found that Mr. Causey, as Project Broker of the Ocean Pines time share project, had allowed unlicensed persons to sell time shares.

**RONNIE J. COOPER, JR. (Currituck County)**—By Consent, the Commission suspended Mr. Cooper's salesman's license for eighteen months effective April 1, 1987. Nine months of the suspension are to be active and the remaining nine months on probation. The Commission found that Mr. Cooper, as an employee of Resort Promotions, Inc., had sold and offered for sale real estate without a supervising Broker-in-Charge or an active salesman's license, and for a corporation not licensed as a corporate real estate broker.

**MARCUS J. ETTERS (Watauga County)**—By Consent, the Commission suspended Mr. Etters' broker's license for two years effective March 15, 1987. The Commission then suspended its Order and placed him on probation for two years. The Commission found that Mr. Etters had sold time share weeks at the Swiss Mountain Village time share project without being registered as developer of the project and before he had acquired legal title to the weeks sold. The Commission also found that the contracts for the sale of the weeks did not contain the required rescission clause and that Mr. Etters did not distribute the public offering statements to purchasers.

**SUSAN GLENN (Boone)**—The Commission suspended Ms. Glenn's broker's license for one year effective April 1, 1987. One month of the suspension is to be active and the remaining eleven months on probation. The Commission found that Ms. Glenn had furnished a seller a closing statement stating that she had paid an appraisal fee when, in fact, she had failed to remit the fee to the appraiser, and that she had failed to furnish the seller a closing statement for the seller's sale of another property.

**LEROY HANDSEL, JR. (Jacksonville)**—By Consent, the Commission reprimanded Mr. Handsel for employing an unlicensed

person to perform acts for which a license was required.

**ELTON F. HARDISON (Jacksonville)**—By Consent, the Commission revoked Mr. Hardison's broker's license effective March 4, 1987 based upon his conviction of criminal offenses involving moral turpitude which would reasonably affect his performance in the real estate business; namely, embezzlement by an insurance agent.

**WILLIAM C. HARTLOVE (Currituck County)**—By Consent, the Commission suspended Mr. Hartlove's salesman's license for eighteen months effective April 1, 1987. Nine months of the suspension are to be active and the remaining nine months on probation. The Commission found that Mr. Hartlove, as an employee of Resort Promotions, Inc. had sold and offered for sale real estate without a supervising Broker-in-Charge or an active salesman's license, and for a corporation not licensed as a corporate real estate broker.

**CYRUS W. HAYNES (Currituck County)**—By Consent, the Commission suspended Mr. Haynes' salesman's license for two years effective March 1, 1987. One year of the suspension is to be active and one year on probation. The Commission found that Mr. Haynes, as an employee of Resort Promotions, Inc., had sold and offered for sale real estate without a supervising Broker-in-Charge or an active salesman's license, and for a corporation not licensed as a corporate real estate broker. The Commission also found that he had participated in the use of installment land sales contracts submitted to lenders which did not accurately disclose the actual amount of down payments.

**CHRISTINE B. HOWELL (Currituck County)**—By Consent, the Commission suspended Ms. Howell's salesman's license for eighteen months effective April 1, 1987. Nine months of the suspension are to be active and the remaining nine months on probation. The Commission found that Ms. Howell, as an employee of Resort Promotions, Inc., had sold and offered for sale real estate without a supervising Broker-in-Charge or an active salesman's license, and for a corporation not licensed as a corporate real estate broker.

**JUANITA JONES (Raleigh)**—By Consent, the Commission reprimanded Ms. Jones for allowing an unlicensed partner to perform acts for which a real estate license is required.

*(Continued on Page 8)*

## DISCIPLINARY ACTION

(Continued from Page 7)

WALTER S. JONES (Grandy)—By Consent, the Commission suspended Mr. Jones' broker's license for two years effective December 8, 1986 for failing to properly supervise time share salesmen under his control and failing to maintain required records.

LINDA C. LANCASTER (Durham)—By Consent, the Commission reprimanded Ms. Lancaster for failing to furnish to a purchaser a copy of plans for a waste water treatment system required for the property being purchased.

ROBERT G. McCALL (Currituck County)—By Consent, the Commission suspended Mr. McCall's broker's license for two years effective April 1, 1987. One year of the suspension is to be active and the remaining one year on probation. The Commission found that Mr. McCall had acted as a real estate broker on behalf of and accepted compensation for his services from Resort Promotions, Inc., an unlicensed real estate brokerage corporation.

THOMAS D. MINCHER (Greensboro); PARAMOUNT MANAGEMENT, INC. (Brunswick County)—By Consent, the Commission, effective March 1, 1987 revoked the corporate real estate broker's license of Paramount Management, Inc. and suspended for one year the broker's license of Mr. Mincher, the corporation's Principal Broker. Six months of Mr. Mincher's suspension are to be active and six months on probation. The Commission found that Paramount, while engaged in

the rental management business, had, through an unlicensed employee, engaged in acts in violation of the Real Estate License Law and Commission Rules pertaining to the handling and accounting of funds and the retention and maintenance of proper records. The Commission found that Mr. Mincher, as Principal Broker of the corporation and Broker-in-Charge of its Brunswick County office, was not personally aware of the acts of the unlicensed employee but by his position should have been aware.

JAMES H. O'NEAL (Watauga County)—By Consent, the Commission suspended Mr. O'Neal's broker's license for three years effective March 1, 1987. Two years of the suspension are to be active and one year on probation. The Commission found that Mr. O'Neal, while previously licensed as a real estate salesman, had allowed unlicensed persons to supervise his acts as a time share salesman.

MARCELLA W. RUDISILL (Lincolnton)—The Commission suspended Ms. Rudisill's broker's license for three years effective March 1, 1987 based upon her conviction of a criminal offense involving moral turpitude which would reasonably affect her performance in the real estate business; namely, preparing and filing an income tax return which she knew to be false in violation of federal law.

CHERYL C. RUSSELL (Atlantic Beach)—By Consent, the Commission reprimanded Mrs. Russell for failing to follow through in her responsibility to see that a

Public Offering Statement was furnished to a time share purchaser.

ELIZABETH H. SCOTT (Currituck County)—By Consent, the Commission suspended Ms. Scott's salesman's license for eighteen months effective April 1, 1987. Nine months of the suspension are to be active and the remaining nine on probation. The Commission found that Ms. Scott, as an employee of Resort Promotions, Inc., had sold and offered for sale real estate without a supervising Broker-in-Charge or an active salesman's license, and for a corporation not licensed as a corporate real estate broker.

ROBERT H. TATE, JR. (Southern Pines)—By Consent, the Commission reprimanded Mr. Tate for disbursing an earnest money deposit without authority and contrary to terms of the sales contract.

WARREN S. THOMPSON (Chimney Rock)—By Consent, the Commission suspended Mr. Thompson's broker's license for six months effective March 1, 1987. Two months of the suspension are to be active and two years on probation on condition that he attend the Commission's Trust Account Short Course. The Commission found that Mr. Thompson had commingled the money of his principals with his own money. In a separate transaction, the Commission found that he failed to deliver a closing statement to the buyers and sellers. And in a separate transaction, Mr. Thompson failed to maintain deposit slips and bank statements for his escrow account. □

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