



NORTH CAROLINA REAL ESTATE COMMISSION Real Estate Bulletin

Volume 18

1987

Number 2

NEW COMMISSION MEMBERS

Governor James G. Martin has appointed Mrs. June P. Mooring of Goldsboro and Mrs. Grace Steed of Randleman to the North Carolina Real Estate Commission for three-year terms commencing August 1, 1987.



June P. Mooring

Mrs. Mooring is owner of Coldwell Banker Houser Realty in Goldsboro. She is both a licensed real estate broker and insurance agent.

Mrs. Mooring is a member and Past-Director of the Goldsboro Board of REALTORS and is currently President of the Multiple Listing Service. She also serves on the Board of the Wayne County Chamber of Commerce and is a member of the local, state and National Association of Home Builders.

A member of the Wayne County Mental Health Association and the Community Arts Council, she is a Past-Director and Division Chairman of the Wayne United Way.

Mrs. Mooring and her husband, William, have two children.



Grace Steed

A licensed real estate salesman, Mrs. Steed was employed by Integrity Group, Inc., in Asheboro prior to her current employment with Jefferson-Pilot Life Insurance Company in Greensboro.

Active in her community's civic and political affairs, she has served as March of Dimes Chairperson, Neighborhood Chairperson for the Heart Fund and Boosters Club Treasurer. Mrs. Steed is also a Past-Chairperson of the Fourth District of the Republican Party.

She and her husband, Guy, reside in Randleman. They have two children and four grandchildren.

Mrs. Mooring and Mrs. Steed succeed Mr. A. P. Carlton and Mrs. LaNelle K. Clontz whose terms expired July 31, 1987. □

BOGER ELECTED CHAIRMAN



Gilbert R. Boger has been elected Chairman of the North Carolina Real Estate Commission for a one-year term which commenced August 1. Owner of Boger Real Estate and Boger Builders in Mocksville, Mr.

Boger is a member of the Davie County Board of REALTORS and the National Association of Master Appraisers.

He is a former member of the North Carolina General Assembly serving three terms in the House of Representatives and one term in the Senate. Mr. Boger was appointed to the Commission in 1985 by Governor Martin.



J. Edward Poole has been elected Vice-Chairman of the Commission for the coming year. Mr. Poole is owner of Poole Real Estate and J. Edward Poole Appraisal Associates in Spring Lake.

Active in the real estate brokerage business since 1958, he has been engaged in real estate appraising for the past 20 years. Mr. Poole previously served on the Commission from 1975 to 1978 and was Chairman in 1977. □

COMMISSION TO RELOCATE OFFICES

In response to increased demand for Commission services, the Commission will on **November 1** move into larger offices located approximately 200 yards from its current office.

NEW ADDRESS

1313 Navaho Drive
P.O. Box 17100
Raleigh, N.C. 27619-7100
(919) 733-9580

ON THE INSIDE

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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

Gilbert L. Boger Mocksville
Chairman

J. Edward Poole Spring Lake
Vice-Chairman

Patricia B. Casey Raleigh

Elmer C. Jenkins Blowing Rock

June P. Mooring Goldsboro

Ernest C. Pearson Raleigh

Grace Steed Randleman

Phillip T. Fisher Executive Director

Larry A. Outlaw Dir. Education/Lic.

L. Ted Gayle Dir. Audits/Invest.

Mary Frances Whitley Dir. Administration

Thomas R. Miller Legal Counsel

Asst. Attorney General

Blackwell M. Brogden, Jr. Dep. Legal

Counsel

Robin Hammond Clark Legal Info. Off.

Margaret A. Lamar Cons. Info. Analyst

Evelyn Johnston Education Coordinator

EXAM RESULTS

	Passed	Failed
MAY 1987		
Brokers	175	138
Salesmen	575	323
JUNE 1987		
Brokers	184	172
Salesmen	631	365
JULY 1987		
Brokers	174	157
Salesmen	660	391

ADDITIONAL TRUST ACCOUNT COURSES

Due to overflow crowds at the April and May Trust Account Courses in Greensboro and Wilmington, the Commission's auditing staff will hold additional courses in these two cities in September.

Persons interested in attending these courses should use the adjacent Registration Form.

BULLETIN BOARD

... Commission member **Patricia B. Casey**, Raleigh, has been nominated as a Director of the North Central District of the National Association of Real Estate License Law Officials (NARELLO). The election of officers will take place at the Association's Annual Conference in Philadelphia in October. ... Former Real Estate Commission Chairman **Dee McCandlish** has been selected as the Mortgage Bankers Association of the Carolinas' first full-time Executive Vice President. Ms. McCandlish assumed her new duties June 1. ... Commission Executive Director **Phillip T. Fisher** participated in a panel discussion on "Specialized Licensing" at NARELLO's District Meeting in Annapolis, Maryland. ... Legal Counsel **Thomas R. Miller** spoke to the Piedmont Chapter #56 of the Institute of Real Estate Management in Greensboro on May 20. ... **Larry A. Outlaw**, Director of

Education and Licensing, addressed the Annual Conference of the National Association of Master Appraisers in June. ... Legal Information Officer **Robin Hammond Clark** spoke to the Gaston Board of REALTORS on June 5. ... Consumer Information Analyst **Margaret A. Lamar** appeared before the Dare County Board of REALTORS on May 20. ... Former Assistant Education Director **Mike Hughes** was guest speaker at a June 13 educational seminar sponsored by the N.C. Auctioneers' Licensing Board. ... The Commission is pleased to report that 60,906 licensees (82%) renewed their real estate licenses by the June 30 expiration date. The Commission regrets that the issuance of pocket renewal cards was delayed due to technical problems encountered with its computer system. □

COMMISSION STAFF REORGANIZED

In recent years, it has been necessary to make many adjustments in the management and administration of the Commission's operations due to an expansion of the Commission's activities and authority and a dramatic increase in the number of persons applying for and receiving real estate licenses. The latest of these is the relocation of the Commission's offices to larger quarters, the addition of staff members, and a reorganization of the Commission's Education and Administration Departments.

Education Director **Larry A. Outlaw's** duties have been extended to include both education and licensing matters, with a corresponding change in his title to "Director of Education and Licensing." In addition, two new positions of "Examination

Coordinator" and "Education Clerk" have been created for the restructured Education and Licensing Department. (See Page 3 for details.)

In the financial area, Financial Officer **Mary Frances Whitley's** duties have also been expanded to include supervisory responsibility over financial and personnel matters and all technical and operational support services; her new title is "Director of Administration." A new position of "Financial Secretary" has also been created to perform the Commission's extensive accounting work.

It is hoped that these changes will further improve the ability of the Commission to serve its licensees and the public. □

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:

☐ September 15

☐ October 20

☐ November 10

☐ September 18, 9:00 (Wilmington)

☐ September 22, 9:00 (Greensboro)

Name: _____ Phone: _____

Address: _____ City: _____

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

EDUCATION & LICENSING NEWS

by

Larry A. Outlaw, Director of Education and Licensing

Education Department Reorganized

The Commission's Education Department has been reorganized to adjust staff workloads and to accommodate changes in duties for certain staff members. My duties as **Education Director** have been expanded to include supervision of the application processing and licensing operations; consequently, my title has been changed to **Director of Education and Licensing**. The position of **Assistant Education Director** has been slightly revised and retitled **Education Coordinator**. A new position titled **Examination Coordinator** has been created and is in the process of being filled at this time. The Examination Coordinator will be responsible for administering the license examination program and coordinating various Commission publications. Another new position of **Education Clerk** has been created, and **Faye Hewett**, currently the Commission's Receptionist, will be transferring into this position. Penny Childress will continue to "anchor" the Education Department as the **Education Secretary**.

Mike Hughes Departs

Mike Hughes, Assistant Education Director for the past three years, has left the Commission for the greener pastures of commercial property management. The Commission regrets the loss of Mike's services and wishes him well in his new endeavor.

Evelyn Johnston Employed



The Commission is pleased to announce that Evelyn Johnston has been employed as **Education Coordinator** beginning August 1. Evelyn has a B.A. degree in English from Sam Houston University and has 19 years' experience as a high school English teacher in Texas, South Carolina and North Carolina. Evelyn has nearly seven years' experience in real estate brokerage, including five years as co-owner and managing broker of a real estate firm in Houston. She will be responsible for administering the Commission's prelicensing education program and performing other related duties.

Scholarships Awarded

The North Carolina Real Estate Educational Foundation recently named the 1987 recipients of two scholarships sponsored by

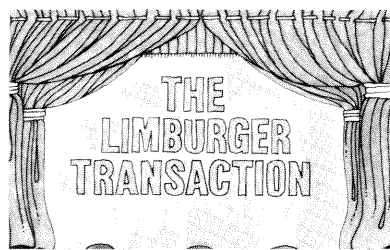
the Commission for outstanding achievement at the North Carolina REALTORS Institute. **Heather Fisk** of Charlotte was awarded the "Joe Schweidler Memorial Scholarship" for attaining the highest scholastic average in Course B, and **Lawrence W. Nicholaysen** of Wilmington received the first "Blanton Little Memorial Scholastic Achievement Award."



Both recipients received a tuition award and a plaque recognizing their accomplishment.

Videotape on Misrepresentation

The Commission has produced a videotape program, developed by L. Ted Gayle, Director of Audits and Investigations, entitled "The Limburger Transaction."



The program covers various examples of willful and negligent misrepresentations that commonly occur in real estate transactions. Produced from a series of 180 slides with voices, music and sound effects dubbed in by a professional, this 11-minute videotape is intended for use as a "lead-in" to a more in-depth discussion of misrepresentation led by an instructor or a member of the Commission Staff.

The videotape (1/2" VHS) is available to licensee groups and schools on a first-come/first-served "loan" basis from the Commission office. A copy may be also purchased for \$34 (including shipping) from Audio Visual Services, 1318 Dale Street,

Raleigh, NC 27605 (Phone 919/821-4202). For further information about borrowing or purchasing this videotape call the Commission's Education Department.

Commission Brochure

The Commission has produced an informational brochure intended to promote a better understanding of its functions, programs and organization. The contents of this brochure were reprinted in the last edition of the **Bulletin**. The brochure is being distributed to prelicensing students through schools and is being sent to all new licensees. Anyone interested in obtaining copies of this brochure should contact the Education Department.

New Consumer Publication

The Commission is very proud to announce the publication of a booklet entitled **Your Place at the Beach: A Buyer's Guide to Vacation Real Estate**. This excellent booklet, which is co-published by the Commission and the UNC Sea Grant College Program, is packed with facts and advice that would be helpful to any buyer of vacation real estate along North Carolina's coast. Real estate agents working in coastal areas should also find this booklet to be quite informative.

The Commission will soon be sending a sample copy of this booklet to all coastal area real estate brokerage firms. Firms that want additional copies to distribute to their customers as a public relations gesture may obtain them free of charge from the Commission. Such firms will be permitted to stamp "Compliments of [firm name]" on the booklet. Initial supplies of the booklet are limited, so interested firms are urged to contact the Commission's Education Department as soon as possible.

Connecticut Reciprocity

The Commission recently accepted an invitation from the Connecticut Real Estate Commission to enter into a reciprocal licensing agreement. This agreement, which will become effective October 1, 1987, will allow each state to issue nonresident licenses to applicants who are resident real estate brokers and salesmen in the other state, and such applicants will be exempted from all prelicensing education and license examination requirements. For more information on this matter, contact the Commission's License Specialist. □

REAL ESTATE LICENSE LAW AMENDED

The following is a summary of amendments to the Real Estate License Law (G.S. 93A) recently enacted by the North Carolina General Assembly, together with the reasons such changes were requested by the Real Estate Commission. Unless otherwise indicated, the amendments become effective October 1, 1987.

License Surrender

In certain instances where the Real Estate Commission has found probable cause that a real estate broker, salesman or time share project developer has violated the Real Estate License Law, the licensees or developers would have preferred to surrender their licenses rather than have an administrative hearing or consent to the revocation or suspension of their licenses. However, unlike certain other professional licensing boards, the Real Estate Commission has not been authorized to accept surrendered licenses.

To remedy this, the General Assembly amended the Real Estate License Law to enable persons charged with violating the Real Estate License Law to surrender their licenses (subject to the approval of the Real Estate Commission).

Recovery Fund

[NOTE: In 1979, the General Assembly mandated that the Real Estate Commission establish and maintain a Recovery Fund for the benefit of real estate consumers whose trust funds (earnest money deposits, rents, etc.) had been converted by licensed real estate brokers or salesmen. Consumers must first obtain a judgment against the broker or salesman, and the judgment must be returned unsatisfied.]

Under the current Recovery Fund Act (G.S. 93A, Article 2), applications for payment from the Fund are made to the General Court of Justice. In those instances where multiple claims have been made against the Fund involving the same agent or transaction, applications made in different courts in different counties have often resulted in different and inconsistent decisions. Since multiple claims which exceed the maximum limits of recovery must be apportioned on a pro rata basis, inconsistent decisions and interpretations of the provisions of the Recovery Fund Act have resulted in inequitable treatment of consumers.

To provide for a more orderly, fair and efficient administration of the Recovery Fund, the General Assembly transferred to

the Real Estate Commission the responsibility for making determinations regarding applications for payment from the Fund, and it authorized the Commission to adopt rules and regulations to govern its administration of the Fund.

Also under the current Recovery Fund Act, in order to obtain payment from the Fund, the act of conversion must have been committed by a licensed real estate broker or salesman while using his or her license. Subsequent to the passage of the Recovery Fund Act, the North Carolina Time Share Act was enacted creating other categories of persons who are peripherally engaged in the real estate business but are not required to hold real estate licenses (e.g., time share project developers, time share registrars and independent escrow agents).

Although the Recovery Fund Act will continue to cover the conversion of trust funds by persons engaged in time share sales (because such persons are required to hold real estate licenses), the Act was amended to clarify that its coverage does not extend to the acts of unlicensed personnel associated with time share projects.

Previously, the Commission could deposit monies into the Recovery Fund only if the balance in the Fund fell below \$50,000 as of December 31. Consequently, if for example (as a result of an unusually large claim or series of claims in the course of a single year) the balance in the Fund had fallen below the \$50,000 minimum on February 15, the monies could not have been replenished until nearly 11 months later during which time legitimate claims could not have been satisfied.

The General Assembly corrected this situation (effective June 30, 1987) by enabling the Commission to make deposits of monies into the Recovery Fund over the course of the year as funds are available. All of the other provisions of the Act regarding the funding of the Recovery Fund remain the same (including the authority to assess licensees, if necessary).

Frequently, the Real Estate Commission has not become aware of potential claims against the Recovery Fund until the claimants have made application for payment. Since this sometimes occurs as long as two or three years after the conversion has been committed, the Commission has been powerless to investigate the transactions to determine whether the claims were meritorious. In addition, hearings on applications for payment from the Fund are sometimes held within a few weeks after the

application has been filed, making it difficult for the Commission to respond to the application.

To address these problems, the General Assembly amended the Recovery Fund Act to require aggrieved persons to notify the Commission within 60 days of any lawsuit filed against a real estate agent which could result in a claim being filed against the Fund, unless the claim is less than \$1,500 in which case the Commission must be notified within 60 days after the termination of all judicial proceedings including appeals. The Commission will also be given 30 days to answer any applications for payment.

Claimants have on occasion sought punitive damages, treble damages, costs and interests from the Recovery Fund. In addition, certain courts (based on an implied trust theory) have directed payment from the Recovery Fund for monies which were not required to be held in trust.

The Act, as amended, clarifies that the Recovery Fund is not liable for resulting, constructive or other trusts created through implication nor is it liable for any interest, costs, penalties or consequential damages.

Under the current Recovery Fund Act, attorneys' fees may be awarded for assisting claimants in making application to the Recovery Fund if the amount of the claim does not exceed \$1,000. This standard was based upon the previous \$1,000 jurisdictional limit for Small Claims Court.

Since the Small Claims Court limit has since been raised to \$1,500, the Act was amended to provide for payment of attorneys' fees for claims not exceeding \$1,500.

Time Share Act

Under the current North Carolina Time Share Act (G.S. 93A, Article 4), developers of time share projects are required to designate a "registrar" who is responsible for recording time share instruments (deeds, contracts, etc.) and releasing them from liens. However, while registrars who fail to carry out their duties are subject to felony punishment, failure to designate a registrar is punishable only as a misdemeanor. Consequently, certain time share developers have been able to effectively circumvent felony punishment by simply failing to designate a registrar.

The Time Share Act was, therefore, amended to plug this "loophole" by extending felony-grade punishment to developers who do not designate registrars for their projects and who do not give purchasers deeds to their time shares. □

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.

ACREAGE SALES, INC. (Charlotte)—By Consent, the Commission reprimanded the corporate real estate broker Acreage Sales, Inc., for employing in 1981 an unlicensed person in a capacity for which a real estate license was required.

ADVANCE REALTY, INC. (Surf City)—By Consent, the Commission reprimanded the corporate real estate broker Advance Realty, Inc., for failing to properly supervise the conduct of its business as a corporate real estate broker.

REDDITT ALEXANDER (Durham)—By Consent, the Commission suspended Mr. Alexander's broker's license for 30 days effective September 1, 1987. The Commission then suspended its Order and placed Mr. Alexander on probation for one year. The Commission found that Mr. Alexander, as Broker-In-Charge, had failed to prepare or cause his sales agents to prepare accurate closing statements for a real estate transaction. The Commission further found that he failed to review the transaction prior to closing, during which his agent concealed from a lender the true facts concerning the transaction in order to induce the lender to make a loan which it would not have otherwise made.

JOHN T. BELL (Goldsboro)—By Consent, the Commission suspended Mr. Bell's broker's license for 60 days effective May 22, 1987. The Commission found that Mr. Bell had failed to satisfactorily carry out his duties and responsibilities as a Broker-In-Charge.

JAMES F. BROWN; BROWN AND COMPANY, INC. (Mecklenburg County)—By Consent, the Commission revoked Mr. Brown's salesman's license and the corporate real estate broker's license of Brown and Company, Inc., effective June 1, 1987. The Commission found that Mr. Brown had failed to convey a real estate commission to his Broker-In-Charge, and that the corporation had allowed an unlicensed employee to act in a capacity for which a license is required.

TED K. DALE (Carolina Beach)—By Consent, the Commission reprimanded Mr. Dale. The Commission found that Mr. Dale, while acting as Principal Broker of a real estate corporation with which certain real estate had been listed for sale, failed to fully disclose material facts to the sellers regarding the corporation's efforts to purchase and resell the property on its own account.

JAMES E. ETHERIDGE (Wilson)—By Consent, the Commission reprimanded Mr. Etheridge for failing to adequately supervise a salesman in his employ. The Commission noted that Mr. Etheridge had repaid funds misappropriated by his salesman.

SARAH W. "POLLY" FIELDS (Burlington)—By Consent, the Commission suspended Ms. Fields' broker's license for 45 days effective June 1, 1987. The Commission then suspended its Order and placed Ms. Fields on probation for 60 days. The Commission found that Ms. Fields, without wrongful motive or intent, had failed to accurately measure the living area of a listed home.

MARY F. FIZER (Avery County)—By Consent, the Commission suspended Ms. Fizer's salesman's license for one year effective May 1, 1987. The Commission found that Ms. Fizer had acted as a real estate salesman without proper or adequate supervision from her Broker-In-Charge.

KIMBERLY TAD HEATH (Wilson)—By Consent, the Commission suspended Mr. Heath's salesman's license for five years effective June 1, 1987. The Commission found that Mr. Heath had made false statements to his principal; failed to deliver trust monies to his Broker-In-Charge and failed to account for or remit said funds; failed to deposit and maintain the funds of others in a trust account; failed to maintain records of a property management transaction; and received a commission from someone other than his Broker-In-Charge.

KENNETH R. INGRAM (Durham)—By Consent, the Commission suspended Mr. Ingram's broker's license for three years effective August 1, 1987. The Commission found that Mr. Ingram had misrepresented to a lender that he had made a \$9,000 deposit on the purchase of a home when, in fact, he had not, and that he had failed to inform the lender that he planned to borrow a significant amount of the purchase price from the seller.

DEBORAH M. LAWRENCE (Surf City)—By Consent, the Commission suspended Mrs. Lawrence's broker's license for one year effective July 1, 1987. The Commission then suspended its Order and placed Mrs. Lawrence on probation for two years. The Commission found that Mrs. Lawrence, while acting as agent for the sale of three parcels of real estate, had repeatedly failed to disclose to purchasers material facts concerning the transactions.

ORVILLE D. LAWRENCE (Surf City)—By Consent, the Commission suspended Mr. Lawrence's broker's license for one year effective July 1, 1987. The Commission then suspended its Order and placed Mr. Lawrence on probation for two years. The Commission found that Mr. Lawrence, while acting as agent for the sale of three parcels of real estate, had repeatedly failed to disclose to purchasers material facts concerning the transactions.

DOUGLAS McARTHUR (Wilmington)—The Commission revoked Mr. McArthur's broker's license effective July 13, 1987. Mr. McArthur appealed the Commission's decision to Wake County Superior Court which remanded the case to the Commission. On July 13, 1987, the Commission reissued its Order consistent with the Court's ruling. The Commission found that Mr. McArthur had sold or contracted to sell numerous lots which did not meet county subdivision regulations, and that sales had been made utilizing a defective plat or survey from which he communicated erroneous information to prospective purchasers.

JOE M. MOSELEY (Jacksonville)—By Consent, the Commission suspended Mr. Moseley's broker's license for one year effective June 1, 1987. The Commission then suspended its Order and placed Mr. Moseley on probation for one year. The Commission found that Mr. Moseley had failed to disclose material facts and had made misrepresentations in advertising the sale of real estate.

PROFESSIONAL REALTY, INSURANCE & MANAGEMENT ENTERPRISES, INC. (Carolina Beach)—By Consent, the Commission reprimanded the corporate real estate broker Professional Realty, Insurance & Management Enterprises, Inc. The Commission found that the corporation had attempted to purchase and resell certain real estate which had been listed for sale with it without fully disclosing material facts to the sellers concerning its efforts in this regard.

(Continued on page 6)

NOTICE OF HEARING

The North Carolina Real Estate Commission, pursuant to the authority vested in it by the General Statutes of North Carolina, proposes to adopt and amend certain rules contained in Title 21, Chapter 58 of the North Carolina Administrative Code, to be effective January 1, 1988, as follows:

1. Amend Rule A.0107, concerning broker retention of records.
2. Amend Rule A.0108, regarding the Commission's ability to inspect broker records without notice.
3. Amend Rule A.0110, regarding the duties of the broker-in-charge.
4. Amend Rule A.0403, regarding the re-scheduling of license examinations for those who fail them.
5. Adopt Rules A.01401 through A.1404, regarding the procedure for filing, hearing and disposing of claims against the Real Estate Recovery Fund.
6. Amend Rule B.0501, concerning time share project trust funds.
7. Adopt Rule B.0203, to provide for a

receipt for a time share project public offering statement.

8. Adopt Rule B.0601, regarding developer designation of a time share project broker.

9. Adopt Rule B.0602, to describe the duties of the time share project broker.

The proposed new and amended rules are available for public inspection, upon written request to the Commission.

Any person interested in the Commission's proposals may present oral or written comments at the public rule-making hearing to be held at 3:00 p.m. on September 23, 1987, at the Commission's office at 1200 Navaho Drive, Raleigh, North Carolina.

Written comments not presented at the hearing should be delivered by October 27, 1987, to the Real Estate Commission, P.O. Box 17100, Raleigh, North Carolina 27619.

This is the 10th day of August, 1987.

Margaret A. Lamar
Administrative Procedures
Coordinator ☐

FORMER BROKER CONVICTED

At the May 18, 1987, Session of Superior Court for Dare County, former North Carolina real estate broker Lester M. (Pete) Rowland pled guilty to the felony of obtaining money by false pretenses. Mr. Rowland received a sentence of ten years imprisonment which was suspended, and he was placed on supervised probation for five years and ordered to pay \$23,000 in restitution.

The charge against Mr. Rowland arose from the operation of an unregistered time share project in Dare County in 1985 and 1986. The Commission assisted local law enforcement officers in the investigation of various complaints arising out of the operation of this project.

Mr. Rowland had previously consented to the revocation of his real estate broker's license due to his use of unlicensed salespersons at other time share projects for which he had conducted sales operations.

Disciplinary Action

(Continued from page 5)

JOHN T. SHEAHAN (New Hanover County)—By Consent, the Commission reprimanded Mr. Sheahan for omitting to disclose a material fact in a real estate transaction.

GLADYS T. SPEARS (Cumberland County)—The Commission revoked Ms. Spears' broker's license effective March 1, 1986. Ms. Spears appealed the Commission's decision, but the Commission's Order was affirmed by Wake County Superior Court on July 14, 1987. The Commission found that Ms. Spears had failed to deposit in a trust account an earnest money deposit within three banking days following acceptance of a sales contract, failed to maintain trust funds in a trust account thereby commingling such funds with her own, and failed to account for or remit the funds of others. The Commission also found that

Ms. Spears had fabricated bank statements and records regarding her trust account to conceal such violations from the Commission's auditor.

PAUL J. SUSIE, JR. (Carolina Beach)—By Consent, the Commission suspended Mr. Susie's broker's license for one year effective July 1, 1987. The Commission then suspended its Order and placed him on probation for two years. The Commission found that Mr. Susie, while acting as Broker-In-Charge of a real estate corporation with which certain real estate had been listed for sale, attempted to purchase and resell the property without disclosing to the sellers material facts connected with the corporation's efforts to sell the property on its own account.

MARVA B. THORPE (Durham)—By Consent, the Commission reprimanded Ms. Thorpe for failing to furnish sellers an accurate closing statement.

TRINITIE GROUP, INC. (Kill Devil Hills)—By Consent, the Commission fined Trinitie Group, Inc., developer of the time share project Port Trinitie, \$15,000 effective June 26, 1987. The Commission found that the developer had employed a corporation to act as real estate broker for its project when the corporation was not licensed as a corporate real estate broker. The Commission also found that the developer had paid the unlicensed corporation sales commissions for sales conducted by its agents and the unlicensed corporation had used sales contracts which did not contain the required notice advising purchasers of their contract rescission rights.

TOWN & COUNTRY REAL ESTATE OF JACKSONVILLE, INC. (Jacksonville)—By Consent, the Commission reprimanded the corporate real estate broker Town & Country Real Estate of Jacksonville, Inc., for failing to disclose material facts in the sale of its real property. ☐

74,650 copies of this public document were printed at a cost of 7¢ per copy.

NORTH CAROLINA
REAL ESTATE COMMISSION
P.O. Box 17100
Raleigh, N.C. 27619

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