



NORTH CAROLINA REAL ESTATE COMMISSION Real Estate Bulletin

Volume 19

1988

Number 2

POOLE ELECTED CHAIRMAN



J. Edward Poole has been elected Chairman of the North Carolina Real Estate Commission for a one-year term which commenced August 1. Mr. Poole is owner of Poole Real Estate and J. Edward Poole Appraisal Associates in Spring Lake. He has been active in the real estate brokerage business since 1958 and in real estate appraising for the past 20 years.

Mr. Poole first served on the Real Estate Commission from 1975 to 1978 and was Chairman in 1977-78. He was reappointed to the Commission by Governor Martin in August, 1986 for a three-year term.



Elmer C. Jenkins, GRI, CRB, has been elected Vice-Chairman of the Commission for the coming year. Mr. Jenkins and his wife, Norma, own and operate Jenkins, REALTORS in Blowing Rock.

He is a past-president of both the Avery-Watauga Board of REALTORS and the North Carolina Association of REALTORS and serves on the Executive Committee of the N.C. Real Estate Educational Foundation. He is also a Director of the N.C. and National Associations of REALTORS. □

COMMISSION MEMBERS REAPPOINTED

Commission members Gilbert L. Boger, Patricia B. Casey, and Elmer C. Jenkins have been reappointed by Governor Martin to the Real Estate Commission for three-year terms commencing August 1, 1988. Mr. Boger and Mr. Jenkins are licensed real estate brokers and Ms. Casey, a CPA in Raleigh, is one of the Commission's two public members. □

REAL ESTATE EDUCATION FOCUS

Commission Receives National Education Awards

The North Carolina Real Estate Commission recently received two national education awards from the Real Estate Educators Association (REEA): the Consumer Education Award (Print Category) and the Regulator of the Year Award. These awards were presented to Larry Outlaw, Director of Education and Licensing, at the Ninth Annual REEA Conference in Houston, Texas.



Commission Chairman J. Edward Poole (left), Director of Education and Licensing Larry A. Outlaw (center) and Commission Vice-Chairman Elmer C. Jenkins (right) display plaques awarded to the Commission by REEA.

The Consumer Education Award was conferred based upon the Commission's publication *Your Place at the Beach: A Buyer's Guide to Vacation Real Estate*. The award recognizes outstanding educational material keyed to a consumer audience.

The Commission received the Regulator of the Year Award based upon its outstanding overall real estate education program for the past year.

Commission To Sponsor Coastal Property Workshops

The Real Estate Commission, in conjunction with the NC Division of Coastal Management and NC State University's Department of Civil Engineering and UNC Sea Grant Program, is sponsoring four one-day workshops entitled *Coastal Property Workshop: Planning, Constructing and Selling Barrier Island Real Estate*. Miriam Baer, the Commission's Examination Coordinator and Publications Officer, and Evelyn Johnston, the Commission's Education Coordinator, assisted in the planning and development of the workshops.

Each workshop will address issues and problems common to coastal real estate, including explanations of physical features of barrier islands, site selection, and regulations concerning the sale of coastal real estate and protection from erosion damage.

The workshops will be held in four separate locations: Raleigh - September 16, Kill Devil Hills - September 30, Morehead City - October 14, and Wrightsville Beach - October 21. Speakers will include Real Estate Commission staff attorneys as well as state and local government officials, a landscape architect, and persons affiliated with the other sponsoring agencies. **All real estate agents who sell property in coastal areas are strongly encouraged to attend.** The conference will provide valuable information about problems and issues unique to selling coastal property, whether developed or undeveloped.

(Continued on Page 6)

1988 LICENSE RENEWAL REPORT

June 30 marked the deadline for licensees to renew their real estate licenses. As of that date, 61,954 licensed brokers and salesmen and 2,668 licensed corporations had renewed their licenses. Since that time, many late renewals have been received by the Commission. As of the printing of this *Bulletin*, over 90% of all licensees have renewed their licenses for the 1988/89 fiscal year.

If you have not yet renewed your license, **your license has expired!** This means that you are no longer permitted to practice real estate brokerage, including listing, selling or renting real estate for others. And, if you continue to practice while your license is lapsed, not only are

you prohibited from accepting any commissions or fees for your services, but you may also be guilty of a misdemeanor punishable by fine and/or imprisonment. In addition, brokers-in-charge are subject to license suspension or revocation should they pay commissions to persons whose licenses have expired.

Needless to say, real estate brokers and salesmen should exercise extreme care in ensuring that their licenses are renewed. If you have any doubt, you should immediately examine your renewal pocket card (and brokers-in-charge should examine the pocket cards of all brokers and salesmen in their office) to verify that it shows an expiration date of 6/30/89. □

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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Raleigh, North Carolina 27619
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James G. Martin, Governor

COMMISSION MEMBERS

J. Edward Poole Spring Lake
Chairman
Elmer C. Jenkins Blowing Rock
Vice-Chairman
Gilbert L. Boger Mocksville
Patricia B. Casey Raleigh
Chandler B. Lee Pinehurst
June P. Mooring Goldsboro
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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. Lgl.
Counsel
Robin Hammond Clark .. Asst. Lgl. Counsel
Margaret A. Lamar Cons. Info. Analyst
Miriam J. Baer Examination Coord.
Evelyn Johnston Education Coord.

Editor
Miriam J. Baer
Editor-in-Chief
Phillip T. Fisher

EXAM RESULTS

	Passed	Failed
MAY 1988		
Brokers	133	95
Salesmen	391	341
JUNE 1988		
Brokers	215	130
Salesmen	589	383
JULY 1988		
Brokers	174	94
Salesmen	535	323

RECOVERY FUND PAYMENTS

The Real Estate Commission reports the following payments made from the Real Estate Recovery Fund:¹

Claimant(s)	Amount	Respondent Licensee	Date
Johnny I. Farmer	\$4,000.00	Frank B. Belk (Cary)	4/8
M/M James M. Cameron	3,711.49	Benjamin Piggie (Sanford)	4/25
Norman V. Keith, Jr.	1,150.00	Benjamin Piggie (Sanford)	4/25

¹Consumers applying for payment from the Recovery Fund must first obtain a judgment against the Respondent real estate agent on grounds of conversion of trust funds, and the execution of the judgment must be returned unsatisfied. Claims cannot exceed \$10,000 per transaction, or \$10,000 per licensee per year, or \$20,000 per licensee. Hearings on Recovery Fund claims are held before the Real Estate Commission. When payments are made from the Recovery Fund, the Commission automatically suspends the real estate license of the person(s) responsible for the conversion of the trust funds. ☐

TRUST ACCOUNT SHORT COURSE

Schedule

Primary Date	Overflow Date
October 11	October 18
November 15	November 22
December 13	December 20

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 3-3 1/2 hours to complete and are offered monthly in Raleigh at the Real Estate Commission Office beginning at 1:00 p.m.
4. To register for the course, telephone the Real Estate Commission Office (919/733-9580) at least 10 days prior to the course and ask for the *Trust Account Course Clerk*. Please have your real estate license number (if any) handy! Registrations will be confirmed in writing giving registrants more detailed information concerning the location and content of the course.
5. Registrations will be accepted on a first-come first-served basis. After the course scheduled for the "Primary Date" is full, additional registrants will be scheduled for the "Overflow Date."

COASTAL PROPERTY WORKSHOP: PLANNING, CONSTRUCTING AND SELLING BARRIER ISLAND REAL ESTATE

Registration Form

Sponsored in part by the Real Estate Commission, this workshop will address problems unique to building, selling and developing coastal real estate (see related article on page 1). All interested real estate brokers, salesmen and others are invited to attend.

For more information about workshop registration, contact Brenda Miller at UNC Sea Grant, (919) 737-2454. For more information about the workshop's topics, contact Miriam Baer at the Real Estate Commission offices, (919) 733-9580. I will be attending the workshop in:

- ☐ Raleigh (Sept. 16) ☐ Morehead City (Oct. 14)
☐ Kill Devil Hills (Sept. 30) ☐ Wrightsville Beach (Oct. 21)

Name: _____ Daytime Phone: _____

Affiliation _____

Address _____

City _____ State _____ Zip _____

The registration fee is \$18 made payable to UNC Sea Grant and should be included with your registration form. Add \$5 to registrations received less than one week prior to the Workshop. Please use a separate registration form for each person planning to attend.

Capacity is limited, so early registration is encouraged.

Mail to: Workshop Registration, UNC Sea Grant, Box 8605, NC State University, Raleigh, NC 27695-8605.

DISCIPLINARY ACTION

(Continued from Page 5)

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HAROLD E. KICK, JR. (Carolina Beach) - By Consent, the Commission suspended Mr. Kick's salesman's license for one year effective August 1, 1988. The Commission found that Mr. Kick, as principal executive officer of a corporation engaged in managing a resort homeowners' association, had neglected to collect assessments from the developer-owner of certain units and failed to disclose this fact to the association.

JUNE M. KINNEY (Lexington) - By Consent, the Commission suspended Ms. Kinney's broker's license for eighteen months effective July 1, 1988, and required her to complete the Commission's Trust Account Course. The Commission found that Ms. Kinney had commingled trust funds with the funds of her real estate firm and failed to deposit an earnest money deposit in a trust or escrow within three days following acceptance of an offer to purchase.

TONYA A. LANIER (Lexington) - The Commission revoked Ms. Lanier's broker's license effective June 1, 1988. The Commission found that Ms. Lanier had failed to deposit and maintain the funds of others in an escrow or trust account; failed to account for and remit such funds in a timely manner; and failed to maintain complete and accurate records of the funds and to make such records available to the Commission's auditor. The Commission also found that Ms. Lanier had failed to adequately and personally supervise a real estate salesman in her employ.

NATIONAL REALTY, INC. (Lexington) - By Consent, the Commission reprimanded the corporation, National Realty, Inc., for making a negligent statement of fact by promising certain purchasers of property that the corporation would continue to maintain the road to the property. The Commission noted that the corporation subsequently improved the road which was later accepted as part of the State highway system.

OCEAN BAY REALTY, INC. (Dare County) - The Commission suspended Ocean Bay Realty's corporation license for six months effective July 1, 1988. The Commission then suspended its Order and placed Ocean Bay on probation for six months. The Commission found that Ocean Bay had misrepresented through advertising that it had certain property listed for sale when, it did not, and that it had misrepresented the sales price of the property. The Commission also found that a "For Sale" sign of the corporation had been placed on the property without the owner's consent.

DAVID N. PETERSON (Greensboro) - The Commission revoked Mr. Peterson's salesman's license effective June 28, 1988. The Commission found that Mr. Peterson had been convicted of a criminal offense involving moral turpitude which would reasonably affect his performance in the real estate business; namely, embezzlement.

MARVIN R. PHILLIPS (Boone) - By Con-

sent, the Commission suspended Mr. Phillips' broker's license for thirty days effective August 1, 1988. The Commission then suspended its Order and placed Mr. Phillips on probation for one year. The Commission found that Mr. Phillips, as Broker-In-Charge, had failed to properly supervise a salesman in his employ in that he did not obtain, make, keep and maintain records of trust funds received by and property management agreements and leases entered in to by such salesman.

BARBARA L. PRICE (Caldwell County) - By Consent, the Commission reprimanded Ms. Price for failing to provide an accurate closing statement to the parties in a real estate transaction. Ms. Price neither admitted nor denied the allegations.

HESTON L. ROSE, JR. (Carolina Beach) - The Commission suspended Mr. Rose's broker's license for one year effective July 1, 1988. Thirty days of the suspension are to be active and one year on probation. The Commission found that Mr. Rose, as Project Broker and Broker-In-Charge of a time share project, had failed to personally and adequately supervise the salesmen in his employ and failed to remit and account for funds due a creditor of the project. The Commission also found that Mr. Rose, while acting as Registrar for the project, recorded time share instruments which were subject to liens and pursued a course of misrepresentation to induce prospective purchasers to attend a sales presentation at the project by promising bonds which could not be delivered.

MARTINA C. ROSEBERRY (Myrtle Beach, S.C.) - By Consent, the Commission suspended Ms. Roseberry's broker's license for ninety days effective August 1, 1988. The Commission found that Ms. Roseberry had failed to deposit trust funds received in North Carolina in a designated trust or escrow account in an insured North Carolina depository.

JOHN M. STOTT (Emerald Isle) - By Consent, the Commission suspended Mr. Stott's broker's license for one year effective June 10, 1988. Ninety days of the suspension are to be active and the remainder suspended for a one-year probation. The Commission found that Mr. Stott had made a negligent omission of a material fact by failing to inform a purchaser that the size of the lot that she was purchasing had been reduced.

GLENN C. STRICKLAND (Greensboro) - By Consent, the Commission suspended Mr. Strickland's broker's license for two years effective June 1, 1988. The Commission found that Mr. Strickland had failed to account for and remit a tenant security deposit to a tenant in a timely fashion; failed to deposit the funds in a trust or escrow account; and failed to make records of his handling of the funds available for inspection by the Real Estate Commission.

JOHN D. THOMAS (Hickory) - By Consent, the Commission suspended Mr. Thomas' broker's license for sixty days effective April 10, 1988. The Commission found that Mr. Thomas,

as Broker-In-Charge, had failed to adequately supervise a salesman in his employ.

TONYA-MILLER REALTY, INC. (Lexington) - The Commission revoked Tonya-Miller Realty's corporation license effective May 26, 1988. The Commission found that the corporation had failed to deposit and maintain the funds of others in an escrow or trust account and to account for and remit such funds.

VICKI VAN BUREN (Winston-Salem) - By Consent, the Commission suspended Ms. Van Buren's broker's license for one year effective June 1, 1988. The Commission then suspended its Order and placed Ms. Van Buren on probation for one year. The Commission found that Ms. Van Buren had failed to disclose to her principals the material fact that she had not collected certain earnest money due from the purchasers under a sales contract.

N. RAY WATSON (Rocky Mount) - By Consent, the Commission revoked Mr. Watson's broker's license effective August 10, 1988, upon his plea of *nolo contendere* to having used bank accounts that were not properly designated as trust or escrow accounts; having commingled his own personal funds and those of his firm with the funds of others; having failed to accurately account for the funds of others; having improperly expended funds held in his trust account; and having maintained the funds of others in an interest-bearing trust account without their authorization.

BETTY L. WILLIAMS (Wrightsville Beach) - By Consent, the Commission suspended Ms. Williams' broker's license for sixty days effective June 1, 1988. The Commission then suspended its Order and placed Ms. Williams on probation for one year. The Commission found that Ms. Williams, as property manager at a resort condominium and townhouse project, failed to collect, account for and remit trust funds in a timely fashion due to incorrect entries and other errors in the rental trust account records. □

Commission Adds Classroom Facilities

The Real Estate Commission has leased 1300 square feet of additional space in its current offices for use as a classroom. License Examination Review Sessions, Trust Account Courses, and other educational programs which were previously conducted at the McKimmon Center in Raleigh will be held in the Commission's new classroom beginning in August of this year. The Commission offices are located at 1313 Navaho Drive, one block north of the beltline, east of Old Wake Forest Road. □

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.

PATRICK R. BARLOW (Caldwell County) - By consent, the Commission reprimanded Mr. Barlow for failing to provide an accurate closing statement to the parties in a real estate transaction. Mr. Barlow neither admitted nor denied the allegations.

BEACH MANAGEMENT AND REALTY, INC. (Myrtle Beach, SC) - By Consent, the Commission suspended Beach Management's corporate real estate license for six months effective August 1, 1988. The Commission then suspended its Order and placed the corporation on probation for one year. The Commission found that Beach Management had failed to deposit trust funds received in North Carolina in a designated trust or escrow account in an insured North Carolina depository.

BLF ASSOCIATES PROPERTY MANAGEMENT, INC. (Carolina Beach) - By Consent, the Commission suspended BLF Associates' corporate real estate license for one year effective September 1, 1988. The Commission then suspended its Order and placed the corporation on probation for one year. The Commission found that BLF, as managing agent for a resort condominium owners' association and as rental manager for individual unit owners at the project, had failed to deposit trust funds in a timely manner; failed to maintain an accurate running balance for such funds; and deposited trust funds in an account not designated as a trust or escrow account. The Commission also found that the corporation had charged tenants cleaning and linen fees which exceeded the actual amounts expended for these services without any accounting to the unit owners for the difference.

GERMAINE F. BREWINGTON (Carolina Beach) - By Consent, the Commission suspended Ms. Brewington's broker's license for one year effective September 1, 1988. Six months of the suspension are to be active and one year on probation on condition that she complete the Commission's Brokerage Operations Course. The Commission found that Ms. Brewington, as Principal Broker and Broker-In-Charge of a corporation which was engaged in managing an owners' association and in rental management at a resort condominium project, had failed to properly supervise a salesman in her employ. The Commission also found that she had failed to deposit trust funds in a timely manner; failed to maintain an accurate running balance for such funds; deposited trust funds in an account not designated a trust or escrow account; and was, at times, inattentive to the general status of the funds. The Commission

further found that Ms. Brewington had charged tenants cleaning fees and a surcharge for linen services without any accounting to the unit owners for the difference.

TIMOTHY A. BREWINGTON (Carolina Beach) - By Consent, the Commission suspended Mr. Brewington's salesman's license for one year effective September 1, 1988. Six months of the suspension are to be active and one year on probation. The Commission found that Mr. Brewington, while engaged in managing a resort condominium owners' association and acting as rental agent at such condominium project, had failed to furnish a rental statement to a unit owner and had charged tenants cleaning and linen fees which exceeded the actual amounts expended for these services without any accounting to the unit owners for the difference. The Commission also found that Mr. Brewington had acted as a real estate salesman outside the supervision of his Broker-In-Charge.

C. LEE CHANCEY (Fayetteville) - By Consent, the Commission revoked Mr. Chancey's broker's license effective May 19, 1988. The Commission found that Mr. Chancey had failed to make his trust account records available to the Commission's investigator.

LYNDA G. ENGLAND (Dare County) - The Commission Reprimanded Ms. England for preparing and submitting to a closing attorney a home inspection report and invoices which misrepresented the general contractor's license and mailing address of the person who performed the inspection. The Commission found that the inspection had been performed by a licensed Virginia general contractor, but that the inspection report and invoices contained the license number of a licensed North Carolina general contractor and the address of Ms. England's Broker-In-Charge.

MILLARD J. FOUNTAIN, JR. and JIM FOUNTAIN REALTY, INC. (New Hanover County) - By Consent, the Commission suspended Mr. Fountain's broker's license and the corporate real estate license of Jim Fountain Realty, Inc. for one year effective August 1, 1988. The Commission then suspended its Order and placed Mr. Fountain and the corporation on probation for one year on condition that Mr. Fountain complete the Commission's Trust Account Course. The Commission found that Mr. Fountain and the corporation, Jim Fountain Realty, Inc., had deposited rent receipts and security deposits in an account which was not designated a trust or escrow account. The Commission found no loss of funds to any person arising out of this matter.

ALEXANDER J. FRANCO (Fayetteville) - By Consent, the Commission suspended Mr. Franco's broker's license for ninety days effective May 5, 1988. The Commission found that Mr. Franco had leased a rental house to a tenant without disclosing that the house was subject to a pending foreclosure proceeding.

JAMES R. FRANKLIN (Dare County) - The Commission suspended Mr. Franklin's broker's license for six months effective July 1, 1988. The

Commission then suspended its Order and placed Mr. Franklin on probation for six months. The Commission found that Mr. Franklin had misrepresented a material fact by advertising a certain property in a manner that implied that the property was listed for sale with his firm when, in fact, it was not. The Commission found that he had placed his firm's "For Sale" sign on the property and caused a picture and description of the property to be published which incorrectly indicated that it was listed for sale by his firm.

In a separate action, the Commission also reprimanded Mr. Franklin and Ocean Bay Realty for allowing a salesman under his supervision to prepare a home inspection report and invoices which misrepresented the general contractor's license and mailing address of the person who performed the inspection. The Commission found that the inspection had been performed by a person licensed as a general contractor in the Commonwealth of Virginia, but that the inspection report and invoices contained the license number of a licensed North Carolina general contractor and the address of Mr. Franklin. Mr. Franklin subsequently submitted the report and invoices to the closing attorney.

DAVID W. GREEN (Cumberland County) - By Consent, the Real Estate Commission accepted the voluntary tender of Mr. Green's broker's license and thereafter revoked said license effective June 30, 1988. The Commission subsequently issued to Mr. Green a salesman's license. The Commission found that the liabilities of certain trust accounts maintained by Mr. Green for the deposit and disbursement of rents and tenant security deposits exceeded the assets of those accounts at the time management of the rental properties was transferred from Mr. Green to another brokerage firm. The Commission found no loss of funds to any individual or business arising out of this matter.

GEDDIE MAXWELL HERRING (Cary) - By Consent, the Commission suspended Mr. Herring's broker's license for two years effective June 10, 1988. One year of the suspension is to be active and the remaining year suspended for two years probation. The Commission found that Mr. Herring had failed to disclose to the sellers that he was, in fact, acting on behalf of the purchasers, and failed to deposit and maintain trust funds in an escrow account. The Commission also found that he had paid a brokerage commission to a person who was not licensed as a real estate broker or salesman and then furnished the sellers an incomplete closing statement which did not disclose the payment of such commission.

HAPPY HUSKEY (Myrtle Beach, S.C.) - By Consent, the Commission suspended Mr. Huskey's broker's license for thirty days effective August 1, 1988. The Commission then suspended its Order and placed Mr. Huskey on probation for one year. The Commission found that Mr. Huskey had failed to deposit trust funds that he had received in North Carolina in a designated trust or escrow account in an in-

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(Continued from Page 5)

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APPRAISER REGULATION UPDATE

The Real Estate Commission continues to study the issue of possible regulation of real estate appraisers in North Carolina. As reported in previous issues of the **Bulletin**, the Commission has met with representatives of leading appraisal organizations, governmental administrators and representatives of the banking and thrift industries for their suggestions regarding the formulation of plans for regulating this currently unregulated industry. Also, the Commission in April held a forum attended by more than 200 persons who were afforded the opportunity to express their opinions regarding this issue.

The Commission is now in the process of compiling a list of persons engaged in real estate appraising in North Carolina and identifying those appraisers who hold real estate (broker or salesman) licenses. Based upon preliminary estimates, it appears that the list will contain approximately 2,000 names and addresses, of which 90% are licensed real estate agents. In addition to projecting the number of persons who might be affected by any appraiser regulation (which is necessary in order to estimate staffing needs and the amount of any fees which must be charged to persons applying for and renewing appraiser licenses or certificates), the listing will also enable the Commission to survey and communicate with those persons who would be most affected by any appraiser regulation.

During the past year, the Commission has considered two different approaches to appraiser regulation: "voluntary certification" where persons who satisfy prescribed educational, experience and examination qualifications would be permitted to use the title "certified appraiser" or "certified appraisal" in connection with their appraisals; and "mandatory licensing" requiring persons to qualify for an "appraiser license" in order to perform real estate appraisals. The Commission has expressed serious concern over the effectiveness of voluntary certification because it would not enable the Commission to prevent persons who perform incompetent or fraudulent appraisals from continuing to appraise real estate; i.e., the Commission could only revoke the appraiser's privilege of using the term "certified." On the other hand, certain appraisal organizations have expressed a desire for a state-regulated system for identifying to the public those appraisers who possess superior appraisal education and experience and which would not result in the wholesale "grandfathering" of less experienced and less knowledgeable appraisers.

Out of the Commission's efforts and the efforts of other real estate licensing agencies across the country to address and balance these competing interests and concerns, yet another approach to appraiser regulation has emerged which is gaining popularity in both appraisal and legislative circles—the so-called "two tiered" approach. As applied in our state, this bi-level regulatory plan would (1) require all persons who appraise real estate to be licensed as either real estate brokers or salesmen; and (2) establish a voluntary certification program for those licensed real estate brokers and salesmen who wish to further their real estate education.

The Commission has not yet solved nor even

contemplated all of the problems which would be involved in integrating appraiser licensing requirements with the current license law and rules; for example, should salesmen who are state-certified appraisers be supervised by Brokers-In-Charge who are not certified? And the Commission anticipates that other changes in the Real Estate License Law and Rules may be necessary or, at least desirable, if this two-tiered approach is proposed; for example, an increase in the amount of pre-license education required for broker and salesman licenses to accommodate additional appraisal instruction, and a requirement that at least one member of the Real Estate Commission be an experienced appraiser.

However, the Commission does feel that this new approach to appraiser regulation deserves serious consideration, and it will, therefore, receive the Commission's special attention in the months preceding the 1989 Session of the North Carolina General Assembly.

Stay tuned to your **Bulletin** for further developments. □

EDUCATION FOCUS

(Continued from page 1)

The registration fee is \$18.00 per person; the fee covers lunch, refreshments and workshop materials. A registration form is available on page two of this **Bulletin**. Registrations are not permitted by phone. Registration forms and checks must be received one week before the workshop or an additional \$5.00 must be included. Capacity at each location is limited, so early registration is encouraged. □

"It's Your Move" Distributed to NC High Schools

In August, the Commission distributed approximately 10,000 copies of its publication, **It's Your Move**, free of charge to North Carolina high schools across the state. The publication will be used in public and private school classrooms this year to provide information to high school students about basic consumer housing.

Whether renting an apartment or buying a home, **It's Your Move** presents practical advice on choosing residential real estate, signing lease agreements, working with real estate agents and selling property. □

FAIR HOUSING

(Continued from Page 3)

the agent is going to be sued anyway.

If the agent cannot convince the owner to sell, the agent should drop the listing. And it is important that the agent drop the listing immediately and unequivocally before doing anything else. If the agent informs the offeror of the rejection, and then gets around to dropping the listing a day or two later, she has still retained the listing after knowing of the owner's discriminatory intent, and she has technically violated the law.

To protect herself, the agent should tell the owner that she is no longer handling the listing. She should also write a dated letter to the owner stating the same thing, keeping a copy of the letter for her files. The agent may then let the owner inform the offeror of the rejection, or she may do so herself. If the agent has any more contact with the offeror, she should preface anything she says by telling the offeror that she has dropped the owner's listing and no longer represents him.

Should the agent tell the offeror that the owner has discriminated? That's up to her. There is nothing illegal in doing so. In fact, a good way to avoid this whole situation is to tell the owner that if he discriminates: 1) the agent will drop the listing; 2) the offeror will probably find out that the owner discriminated; and 3) the owner will be on his own in the ensuing lawsuit.

Incidentally, there is no contract problem with dropping a listing in these situations. An owner cannot make an agent, by contract or otherwise, violate the law. A good way to make sure the owner clearly knows this is to put a clause in all listing agreements stating that the agent will not discriminate, or represent anyone who does. That way, the owner is bound by contract not to ask the agent to discriminate.

Conclusion

The law is clear - real estate agents should not be involved in discriminatory transactions. If agents avoid any potentially discriminatory situations, they will not only protect themselves, but will also further the cause of fair housing. □

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