



## The Realtor's Code of Ethics

### PART I

#### Relations to the Public

##### ARTICLE 1.

The Realtor should keep himself informed as to movements affecting real estate in his community, state and the nation, so that he may be able to contribute to public thinking on matters of taxation, legislation, land use, city planning, and other questions affecting property interests.

##### ARTICLE 2.

It is the duty of the Realtor to be well informed on current market conditions in order to be in a position to advise his clients as to the fair market price.

##### ARTICLE 3.

It is the duty of the Realtor to protect the public against fraud, misrepresentation or unethical practices in the real estate field.

He should endeavor to eliminate in his community any practices which could be damaging to the public or to the dignity and integrity of the real estate profession. The Realtor should assist the board or commission charged with regulating the practices of brokers and salesmen in his state.

##### ARTICLE 4.

The Realtor should ascertain all pertinent facts concerning every property for which he accepts the agency, so that he may fulfill his obligation to avoid error, exaggeration, misrepresentation, or concealment of pertinent facts.

##### ARTICLE 5.

The Realtor should not be instrumental in introducing into a neighborhood a character of property or use which will clearly be detrimental to property values in that neighborhood.

##### ARTICLE 6.

The Realtor should not be a party to the naming of a false consideration in any document, unless it be the naming of an obviously nominal consideration.

##### ARTICLE 7.

The Realtor should not engage in activities that constitute the practice of law and should recommend that title be examined and legal counsel be obtained when the interest of either party requires it.

##### ARTICLE 8.

The Realtor should keep in a special bank account, separated from his own funds, monies coming into his possession in trust for other persons, such as escrow, trust funds, client's monies and other like items.

##### ARTICLE 9.

The Realtor in his advertising should be especially careful to present a true picture and should neither advertise without disclosing his name, nor permit his salesmen to use individual names or telephone numbers, unless the salesman's connection with the Realtor is obvious in the advertisement.

##### ARTICLE 10.

The Realtor, for the protection of all parties with whom he deals, should see that financial obligations and commitments regarding real estate transactions are in writing, expressing the exact agreement of the parties; and that copies of such agreements, at the time they are executed, are placed in the hands of all parties involved.

## REAL ESTATE BULLETIN

Published quarterly as a service to real estate licensees to promote a better understanding of the Real Estate Licensing Law, Rules and Regulations, and proficiency in ethical real estate practice.

### NORTH CAROLINA REAL ESTATE LICENSING BOARD

813 BB&T Bldg.  
Raleigh, North Carolina 27602

Robert W. Scott, Governor

#### BOARD MEMBERS

Henry C. Doby, Jr.,  
Chm. .... Albemarle  
Brantley Poole, V. Chm. .... Raleigh  
A. P. Carlton ..... Greensboro  
Billy Hinton ..... Clayton  
John W. Olive ..... Mt. Airy

J. F. Schweidler ..... Sec'y.-Treas.  
Blanton Little ..... Admin. Asst.

#### — CHAIRMAN'S COMMENTS —

The real estate business continues to show in dramatic fashion that it is one of the most dynamic and fastest growing industries in the country. Unparalleled opportunities are available to that special group of individuals who, through study, diligent effort, and ethical conduct, can make real estate a profession second to none.

I look forward to serving the public as Chairman of the Licensing Board this fiscal year. During my term, I would like to stress the obligation of each broker and salesman to adhere to the Real Estate Licensing Law and the Rules and Regulations of the Licensing Board in the practice of his profession. In particular, I urge you to secure your real estate listings in written form, to prepare complete offer to purchase agreements, to maintain proper trust accounts, and to furnish detailed closing statements to your clients. By doing so, complaints and possible license suspensions and revocations will be reduced to a minimum.

Best wishes.

*Henry C. Doby, Jr.*

### BOARD APPOINTMENTS

As we went to press, we were notified that Governor Scott named the appointment of one new member and the reappointment of a member to the Real Estate Licensing Board.

Billy E. Hinton of Clayton was appointed to the Board replacing J. Bart Hall of Belmont. Mr. Hinton is a licensed real estate broker, a Mason, a member of the American Legion, and a member of the First Baptist Church in Clayton.

John W. Olive, Mt. Airy, was reappointed to the Board. Both members will serve terms expiring July 31, 1975.

### ELECTED PRESIDENT

Joseph F. Schweidler, Secretary-Treasurer of the Real Estate Licensing Board was elected the 1973 president of the National Association of Real Estate License Law Officials (NARELLO) at its annual conference in Las Vegas, Nevada recently.

NARELLO is composed of the real estate commissioners and administrative officers of the fifty states, District of Columbia, Virgin Islands and several Canadian Provinces. Its primary purpose is the better administration and enforcement of real estate license laws.

### SOUTH CAROLINA LICENSE LAW AMENDED

An amendment to the South Carolina Real Estate Licensing Law, effective October 1, 1972, requires applicants for a broker's license to have two years experience as a salesman or to have completed 60 hours in approved real estate courses.

The prerequisites for taking the examination for a broker's license are as follows:

1. A minimum of two years of actual experience as a licensed real estate salesman in this state or in another state having similar requirements; or

2. A baccalaureate degree with a major in real estate from an accredited college or university; or

3. Successful completion of at least sixty hours of instruction, including time spent on examination, in the basic principles of real estate conducted by:

(a) a university or duly accredited college wherever situated; or

(b) a bona fide business school situated in this state approved by the Commission; or

### LICENSE STATISTICS

Licensees as of September 30, 1972  
Brokers 11,095  
Salesmen 2,972  
14,067

Examination — July 1972  
Passed Failed  
Brokers 171 168  
Salesmen 54 47

Examination — August 1972  
Passed Failed  
Brokers 108 206  
Salesmen 110 60

Examination — September 1972  
Passed Failed  
Brokers 268 142  
Salesmen 115 64

### LICENSES SUSPENDED-REVOKED

GEORGE L. BROADNAX — Fayetteville — broker — 30 days suspension — violation of G.S. 93A-6(a)(1) and (8).

### VIRGINIA BROKER FINED

Virginia real estate broker, Lester K. Bruestle, trading as the Real Estate Corporation of Virginia, Virginia Beach, was fined \$1,000 in Gates County District Court, Gatesville, North Carolina on October 2. Mr. Bruestle pleaded guilty to engaging in the real estate business in North Carolina without a license in connection with the offering of a house at Sunbury, North Carolina. Mr. Bruestle and his corporation have since been properly licensed to do business in North Carolina.

### RECIPROCITY WITH TEXAS

Texas has just been added to the list of states which exchange reciprocity with North Carolina. North Carolina licensees interested in applying for non-resident Texas licenses may write for information and application forms to the Texas Real Estate Commission, P. O. Box 12188, Capitol Station, Austin, Texas 78711.

(c) the South Carolina Association of Realtors Education Foundation; or

(d) an institution or organization approved by the Commission; or

(e) correspondence where such courses of instruction is part of an extension department of an accredited college or university; or

4. Satisfactory proof of equivalent experience in activity closely related to real estate.



**NATIONAL ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS  
1971 SUMMARY ON LICENSE STATISTICS**

STATE	No. Licensed		Tested	Brokers Examinations			Salesmen Examinations		
	Brokers	Salesmen		Passed—%	Failed—%		Tested	Passed—%	Failed—%
Alabama	2,822	2,705	531	409—77	122—23		759	622—81	137—19
Alaska	218	546	85	45—53	40—47		453	265—59	188—41
Alberta	801	3,914					1,293*	1,201—93	92—7
Arizona	4,914	13,917	348	329—95	19—5		5,421	5,132—95	289—5
Arkansas	2,247	2,406	639	395—62	244—38		1,471	936—64	535—36
Br. Columbia	1,325	4,492	95	69—73	26—27		1,099	648—59	451—41
California	66,011	100,609	9,013	4,200—47	4,813—53		39,729	18,922—48	20,807—52
Colorado	4,130	13,167	737	331—45	406—55		4,463	2,271—51	2,192—49
Connecticut	12,778	5,476	2,417	1,806—75	611—25		2,035	1,703—84	332—16
Delaware	525	837	52	52—100	0—0		388	375—97	13—3
Dist. of Col.	2,674	2,542	124	51—41	73—59		267	171—64	96—36
Florida	14,503	34,646	1,426	1,353—95	73—5		6,855	5,690—83	1,165—17
Georgia	3,737	13,396	443	258—58	185—42		5,460	3,058—55	2,402—45
Hawaii	1,704	3,104	526	92—18	434—82		2,435	773—32	1,662—68
Idaho	1,031	1,428	39	39—100	0—0		484	372—77	112—23
Illinois	24,009	28,276	2,476	1,800—73	676—27		9,293	7,168—76	2,125—24
Indiana	12,182	8,691	834	535—64	299—36		1,468	1,219—82	249—18
Iowa	5,674	3,607	318	170—54	148—46		972	741—76	231—24
Kansas	4,522	6,239	213	195—91	18—9		1,237	1,056—83	181—17
Kentucky	4,585	4,130	302	158—54	144—46		1,473	954—65	519—35
Louisiana	2,888	7,977	505	408—80	97—20		2,773	1,960—70	813—30
Maine	2,645	516	560	350—63	210—37		257	142—55	115—45
Maryland	4,800	17,119	344	229—67	115—33		4,066	2,569—63	1,497—37
Massachusetts	54,617	8,857	7,169	4,507—63	2,662—37		2,588	2,009—78	579—32
Michigan	11,187	30,277	1,349	851—63	498—37		13,412	6,743—50	6,669—50
Minnesota	4,512	6,691	452	267—59	185—41		3,027	1,977—65	1,050—35
Mississippi	1,867	1,508	127	110—87	17—13		416	376—90	40—10
Missouri	11,923	17,635	1,503	1,194—79	309—21		3,867	2,673—69	1,194—31
Montana	1,150	670	83	45—55	38—45		420	180—43	240—57
Nebraska	3,943	2,621	190	98—52	92—48		1,086	608—55	478—45
Nevada	1,523	610	549	296—54	253—46		389	237—60	152—40
New Hampshire	6,134	1,506	314	54—17	260—83		1,048	525—50	523—50
New Jersey	12,205	27,677	737	472—56	265—44		8,207	6,290—77	1,917—23
New Mexico	1,483	2,151	204	136—67	68—33		1,283	895—70	388—30
New York	25,611	58,578	2,628	1,478—56	1,150—44		21,234	14,854—70	6,380—30
<b>North Carolina</b>	<b>9,643</b>	<b>2,801</b>	<b>1,948</b>	<b>1,348—69</b>	<b>600—31</b>		<b>1,174</b>	<b>816—69</b>	<b>358—31</b>
North Dakota	690	468	58	41—70	17—30		128	86—67	42—33
Ohio	9,381	40,086	1,208	786—65	422—35		13,996	10,050—71	3,946—29
Oklahoma	7,806	4,876	149	120—81	29—19		2,616	2,092—80	524—20
Ontario	5,396	12,953	986	549—56	437—44		5,692	4,269—75	1,423—25
Oregon	2,867	10,820	514	328—64	186—36		3,595	2,338—65	1,257—35
Pennsylvania	13,683	22,587	883	446—51	437—49		7,470	5,185—69	2,285—31
Quebec	763	1,857	54	45—83	9—17		505	435—86	70—14
Rhode Island	2,970	902	423	269—64	154—36		350	267—76	83—24
South Carolina	2,321	2,670	252	123—49	129—51		723	529—73	194—27
South Dakota	1,422	456	19	17—90	2—10		215	140—65	75—35
Tennessee	6,565	6,552	448	234—52	214—48		2,705	1,529—57	1,176—43
Texas	27,817	33,885	3,397	2,533—75	864—25		14,809	9,918—67	4,891—33
Utah	871	3,283	83	57—69	26—31		1,325	797—60	528—40
Vermont	2,231	406	146	103—71	43—29		298	216—73	82—27
Virginia	6,000	12,000	395	168—43	227—57		5,099	2,172—43	2,927—57
Virgin Islands	289	96	12	5—40	7—60		32	16—50	16—50
Washington	5,497	10,657	908	501—55	407—45		5,431	3,020—56	2,411—44
West Virginia	877	1,625	50	47—94	3—6		396	323—82	73—18
Wisconsin	10,663	5,516	1,374	534—39	840—61		754	268—36	486—64
Wyoming	568	597	60	21—35	39—65		165	113—68	52—32
<b>TOTALS</b>	<b>435,200</b>	<b>613,614</b>	<b>50,699</b>	<b>31,057—61</b>	<b>19,642—39</b>		<b>218,606</b>	<b>139,894—64</b>	<b>78,712—36</b>

**NATIONAL AVERAGE**

Brokers	Salesmen
61% Passed	64% Passed
39% Failed	36% Failed

\* Includes Brokers

## ATTORNEY GENERAL OPINION

Mr. Joseph F. Schweidler  
Secretary-Treasurer  
N. C. Real Estate Licensing Board  
Post Office Box 266  
Raleigh, North Carolina 27602

Re: Real Estate Brokers and Salesmen; G. S. 93A-1 and G. S. 93A-2;  
Auctions and Auctioneers

Dear Mr. Schweidler:

In your letter of November 27, 1972, you write in part as follows:

"Our Board would like an opinion from your office as to whether groundmen at real estate auction sales are required to have real estate licenses in accordance with G. S. 93A-1 and 93A-2.

"Groundmen are employed by real estate auctioneers to circulate through the crowd and to try and obtain bids which they in turn pass on to the auctioneer."

## NEW CORRESPONDENCE COURSE

North Carolina State University at Raleigh is instituting a correspondence course entitled "Principals and Practices of Real Estate". The course has been approved by the North Carolina Real Estate Licensing Board as meeting the educational requirement for admission to the broker's examination.

The course is offered under the auspices of the Division of Continuing Education and the Department of Economics. The instructor is William H. Dartt, Licensed Broker, RLS, RLA. For information interested persons may contact the Bureau of Correspondence Instruction, Division of Continuing Education, North Carolina State University, Box 5125, Raleigh, North Carolina 27607.

In this regard, G. S. 93A-1 makes it unlawful for any person to act as a real estate broker or real estate salesman or to directly or indirectly engage in the business of real estate broker or real estate salesman without first obtaining the necessary license issued by the North Carolina Real Estate Licensing Board according to the provisions of Chapter 93A of the General Statutes. In addition, 93A-2 (a) defines a real estate broker as follows:

"A real estate broker within the meaning of this Chapter is any person, partnership, association, or corporation, who for a compensation or valuable consideration or promise thereof lists or offers to list, sells or offers to sell, buys or offers to buy, **auctions or offers to auction (specifically not including a mere crier of sales)**, or negotiates the purchase or sale or exchange of real estate, or who leases or offers to lease, or sells or offers to sell leases of what-

ever character, or rents or offers to rent any real estate or the improvement thereon, for others." [Emphasis added]

In construing the above two statutory provisions, it is apparent that auctioneers, and by implication, those who assist auctioneers, are required to be licensed as real estate brokers within the scope of Chapter 93A of the General Statutes. However, G. S. 93A-2(a) specifically states that a mere crier of sale does not have to be licensed by the Real Estate Licensing Board. Therefore, it follows that any person who merely assists the crier of sales, even though he may originally be employed by an auctioneer, is not required to be licensed by the North Carolina Real Estate Licensing Board.

Very truly yours,

ROBERT MORGAN  
Attorney General

James L. Blackburn  
Assistant Attorney General

## REAL ESTATE EXAMINATIONS

The schedule of real estate examinations for the first six months of 1973 is shown below. The exams are held in the Raleigh Memorial Auditorium and Winston-Salem Convention Center.

FILING DATE	BROKERS EXAM	SALESMEN EXAM
December 18	January 23, 1973	January 24, 1973
January 2, 1973	February 27	February 28
February 19	March 27	March 28
March 19	April 24	April 25
April 16	May 22	May 23
May 21	June 26	June 27

NORTH CAROLINA  
REAL ESTATE LICENSING BOARD  
P. O. BOX 266  
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