



Commission Reappointments

Gov. Michael F. Easley has reappointed Real Estate Commission Chairman Matthew J. "Rick" Watts and members Raymond A. "Buddy" Bass and Sang J. Hamilton, Sr., to three-year terms expiring July 31, 2007 and the North Carolina Senate, upon the recommendation of Senate President Pro Tem Marc Basnight, has reappointed Vice Chairman Marsha H. Jordan to a term ending July 31, 2005.

Safety Guide Wins Award

The Real Estate Commission has received the Specialty Communication award from the Association of Real Estate License Law officials for its Real Estate Agent Safety Guide, which was published jointly this year with the North Carolina Association of REALTORS®. Immediate past Commission Chairman Allan Dameron, third from left, presents the award to Connie Corey, Chairman of the NCAR Safety Council and Ronnie Thompson, NCAR President. Shown with them, l. to r., are Commission members Wanda Proffitt, Chairman Rick Watts, Sang Hamilton, Skip Alston, Buddy Bass, Bill Lackey, Jerry Mannen and Marsha Jordan. (See story, page 3)



Rick Watts Elected Chairman, Marsha Jordan to Vice Chair

Matthew J. "Rick" Watts of Fayetteville has been elected chairman and Marsha H. Jordan of Lincolnton, vice chair, of the North Carolina Real Estate Commission for the 2004-2005 term beginning August 1, it was announced by Phillip T. Fisher, Executive Director.

Watts is Broker Associate and Senior Sales Executive with Coldwell Banker United Realty in Fayetteville. In 12 years with Coldwell Banker, he has been a member of the President's Elite for five years and the President's Circle for seven years.

Watts entered the real estate business in 1992 after retiring from a 30-year career with the U. S. Army where he achieved the rank of Command Retention Sergeant Major for the XVIII Airborne Corps.

Among numerous military honors, Watts holds the U. S. Army's Legion of Merit, the highest peacetime award for military achievement and honorable service. He was also featured in the recent book, "100 Sergeants Major of Color", and was selected as the Fayetteville and Cumberland County Ministerial Council's "Citizen of the Year" for 2004.

He is a member of the Veterans of Foreign Wars, American Legion, the Airborne and Special Operations



Watts



Jordan

Museum Foundation Board and past member of the Executive Committee of the National Association for the Advancement of Colored People, among other organizations.

Watts and his wife, Margaret, a retired teacher with 31 years of service, live in Fayetteville. Their daughter, Tiffany, recently received her doctoral degree from the University of North Carolina at Chapel Hill.

A graduate of the University of Virginia, Jordan entered the real estate business in 1986. She is owner of Apple Realty in Lincolnton, a Graduate of the REALTORS® Institute and a Certified Residential Specialist.

Jordan is a director of the North Carolina Real Estate Education Foundation and a former president of the Lincolnton Board of REALTORS® and Dean of the REALTORS® Institute. Active in community affairs, she has served on the board of directors of the Lincolnton Chamber of Commerce and as president for Downtown Development, and is a member of the Lincolnton Rotary Club.

REAL ESTATE BULLETIN

Published as a service to real estate licensees to promote a better understanding of the Real Estate License Law and Commission rules, and proficiency in 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 Commission's Real Estate Bulletin.

NORTH CAROLINA REAL ESTATE COMMISSION

1313 Navaho Drive
P. O. Box 17100
Raleigh, North Carolina 27619-7100
Phone (919) 875-3700

Michael F. Easley, Governor

COMMISSION MEMBERS

M. Rick Watts, Chairman	Fayetteville
Marsha H. Jordan, Vice Chairman	Lincolnton
Melvin L. Alston	Greensboro
Raymond A. Bass, Jr.	Fayetteville
Allan R. Dameron	Holden Beach
Sang J. Hamilton, Sr.	Winton
William C. Lackey Jr.	Cornelius
Jerry A. Mannen, Jr.	Wilmington
Wanda J. Proffitt	Burnsville

Phillip T. Fisher
Executive Director

ADMINISTRATION

Mary Frances Whitley	Director
Paula L. Ricard	Financial Officer
Vickie R. Crouse	Data Processing Administrator
Robert L. Forshaw	Publications Officer
Brenda H. Badger	Records Officer
Wendy C. Harper	Administrative Officer

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Gary R. Caddell	Senior Auditor/Investigator, Training Officer
Jennifer K. Boger	Senior Auditor/Investigator
Rebecca S. Wilkins	Senior Auditor/Investigator
Robin F. Tanner	Auditor/Investigator
William F. Dowd	Auditor/Investigator
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M. Spier Holloman	Auditor/Investigator

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Jane H. Knox	Licensing/Education Officer

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Thomas R. Miller	Legal Counsel, Director; Special Deputy Attorney General
Miriam J. Baer	Assistant Director, Legal Counsel
Blackwell M. Brogden, Jr.	Chief Deputy Legal Counsel
Janet B. Thoren	Deputy Legal Counsel
Pamela V. Millward	Assistant Legal Counsel
Stephen L. Fussell	Consumer Protection Officer
Joan H. Floyd	Consumer Protection Officer
Peter C. Evans, III	Information Officer
Carolyn A. Haase	Information Officer

Editor-In-Chief
Phillip T. Fisher

Editor
Robert L. Forshaw



People

Brenda H. Badger has been promoted to Records Officer in the Administration Division. Brenda joined the Commission in 1989 and has most recently been Chief Records Specialist. She will supervise the maintenance and updating of licensee files and records, including the processing of license renewals. Before joining the Commission, she was employed at Shaw Divinity School.



Wendy C. Harper has been promoted to Administrative Officer in the Administration Division. Since joining the Commission in 1989, she has held various administrative positions including, most recently, Technical Support Manager. Prior to joining the Commission she was associated with Rex Cancer Center in Raleigh. Ms. Harper holds a Bachelor of Science degree in Business Administration from Meredith College.



To request a speaker from the Commission, please submit the "Request for Program Presenter" form available on the Commission's Web site, www.ncrec.state.nc.us.

Appearances

Miriam J. Baer, Assistant Director of Legal Services, spoke to the Chapel Hill Board of REALTORS® on risk management and related issues, to the Property Management Meeting of the Outer Banks Association of REALTORS® on complaints frequently made against resort property managers by tenants and owners and to the Surry County Board of REALTORS® on agency and unlicensed assistants.

Blackwell M. Brogden, Jr., Chief Deputy Legal Counsel, spoke to the Hendersonville Board of REALTORS® on risk management and related issues.

Stephen L. Fussell, Consumer Protection Officer, spoke to the Roanoke Valley/Lake Gaston Board of REALTORS® on multiple offers and other topics of interest.

Peter C. Evans, Information Officer, spoke to the Greenville Property Managers Association Real Estate Seminar on security deposits and other property management subjects.



"Investigator of the Year" Award

Michael B. Gray, Chief Auditor/Investigator and winner of the 2004 Investigator of the Year award from the Association of Real Estate License Law Officials (ARELLO), seated second from right, joins past award winners, seated l. to r., William F. Dowd (runner-up), Robin Tanner and Gary Caddell. Also shown, l. to r., are Commission members Allan Dameron, Chairman Rick Watts, Wanda Proffitt and Sang Hamilton; Audits and Investigations Division Director Emmet R. Wood; and Commission members Skip Alston, Marsha Jordan, Bill Lackey, Buddy Bass and Jerry Mannen.



Safety Guide Wins National Award

The North Carolina Real Estate Commission was honored to receive the 2004 "Specialty Communications" award from the Association of Real Estate License Law Officials (ARELLO). The award recognized the *North Carolina Real Estate Agent Safety Guide*, a cooperative venture of the Real Estate Commission and the North Carolina Association of REALTORS®.

Real Estate Safety Council. The award was presented to the Commission at ARELLO's annual conference in Pittsburgh.

Based upon a similar publication of the Washington Real Estate Safety Council, the guide contains common sense safety tips for real estate agents. Since publication in March, more than 20,000 copies have been purchased from the Commission. Every licensee who takes the 2004-2005 continuing education *Update Course* will receive a copy together with instruction on how to apply the helpful information in their day-to-day real estate practices.

For information on how to purchase the *Safety Guide*, see the order form on page 7 of this *Bulletin*, or the Commission's website, www.ncrec.state.nc.us.

November 17
December 8
January 12
February 9
(Greensboro)

All meetings, unless otherwise noted, begin at 9 a.m. and are held in Raleigh in the Commission's Conference Room at 1313 Navaho Drive (27609). Occasionally, circumstances necessitate changes in meeting times and locations.

2004-2005 REGISTRATION FORM

BASIC TRUST ACCOUNT PROCEDURES COURSE MONTHLY - RALEIGH

CONTINUING EDUCATION ELECTIVE CREDIT: FOUR HOURS
TIME: 1:00—5:00 P.M.
LOCATION: MCKIMMON CENTER AT NCSU
TUITION: \$45.00

Each session is limited to 40 participants, scheduled according to the date the registration information is received.

The fastest way to register is online at www.ncrec.state.nc.us. Otherwise, complete and mail this form with a check for the tuition fee to the NC Real Estate Commission at the address below. Receipt must be no later than seven (7) days prior to the date of the preferred session. (Make additional copies, if needed.) Walk-ins accepted on a space available basis only.

☐ November 2 ☐ December 6 ☐ January 4
☐ February 1 ☐ March 3 ☐ May 17
☐ June 7 ☐ July 6 ☐ August 2

Name _____

Address _____

City _____ State _____ Zip _____

Phone () _____

☐ Broker ☐ Salesperson ☐ Bookkeeper

(Lic # _____)

Mail to: NC Real Estate Commission,
Audits and Investigations Division
P. O. Box 17100
Raleigh, NC 27619-7100

Registering online is easier, faster. Just have your credit card information and license number available.

Commission Can Use Injunctions To Stop Unlicensed Brokerage

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

Did you know that the Real Estate License Law allows the Commission to apply to the Superior Court for an injunction to prevent unlicensed people and firms from engaging in real estate brokerage? Unfortunately, the Commission has had to turn to this remedy more often recently than at any time in its history in order to protect the public.

An injunction is an order issued by a judge directing a person or firm to refrain from specified acts or conduct. This form of judicial action is used when a simple judgment for money will not protect the rights of a party in a civil action. Injunctions are used in real property cases to enforce restrictive covenants, stop trespassers, or prevent other interference with an owner's

rights in a property; in commercial cases to prevent misuse of trademarks, copyrighted or patented material or breach of an agreement not to compete; and, in cases brought by a government agency, such as the Commission, to end continuing violations of law or prevent further violations of law.

In order to obtain an injunction, the Commission first files a complaint in civil court and serves the unlicensed person or firm. The defendants can answer the complaint and raise any defenses they may have, e.g. that they are properly licensed or that they are not engaged in unlicensed activity. Ultimately, the question of whether unlicensed conduct has occurred is decided by the court. If the Commission proves the unlicensed activity, the court can issue an injunction requiring the unlicensed person or firm to stop. Failure to comply can result in punishment for contempt of court, including fines and imprisonment.

Of course, not all unlicensed activity is prohibited by law. For example, buying, selling or leasing one's own property has always been exempt from the License Law. However, occasionally someone without a license will attempt to broker real estate transactions, including leases or sales, without a license. Although such persons may call themselves "consultants" or "advisors," if they are assisting others in buying, selling, or leasing, for a fee, their conduct is unlawful.

On the other hand, in some cases, unscrupulous persons and firms, while claiming to be dealing on their own account, are actually acting as unlicensed brokers by unlawfully "flipping" property or renting real estate of others through the use of unrecorded sham transactions or using recorded documents that misrepresent the true nature of the transaction.

The Commission's Legal Division has pursued the civil remedy of injunctive relief against persons and firms who, while claiming to be dealing on their own account, are actually engaged in the unlicensed practice of real estate brokerage. In

(See *Injunction*, page 5)



North Carolina Real Estate Commission

Post Office Box 17100
Raleigh, NC 27619-7100
919/875-3700
www.ncrec.state.nc.us

Dear Licensee:

The Real Estate Commission's staff writes to licensees for many reasons, including to inquire about a complaint that has been filed against you or against another agent concerning a matter in which you were involved.

When you receive a Letter of Inquiry from the Commission, you should read and respond to it promptly, no later than 14 days from receipt. If you cannot do so, you may request an extension of time (in advance). You are not required to hire an attorney to respond on your behalf, although you are welcome to hire one if you choose.

To avoid delays, it is important that the Commission has your current residence and business addresses at all times. You must notify this office no later than ten (10) days following any change.

You are required to provide copies of all documentation requested in a Letter of Inquiry. Typically, these might include records of transactions and trust accounts, advertisements, brochures, maps, course completion certificates or even a copy of your complete file pertaining to a transaction.

Most licensees who receive Letters of Inquiry take the letters seriously and respond in a timely manner. However, those few who fail to respond, are subject to disciplinary action by the Commission. If you need more time, ask for it. If you have questions, contact the staff member who wrote to you and he or she will be glad to clarify the request.

Sincerely yours,

Stephen L. Fussell

Consumer Protection Officer

The statistics here reflect the activities of the Real Estate Commission during the period from May 1, 2003 to April 30, 2004.

Contact

- 232,500 telephone calls (*a 16% increase*)
- 2,100,000+ web-site "hits" (*an 840% increase*)

Publications

- 805,000 publications distributed to licensees, consumers and applicants

Technology

Made more effective use of technology by:

- Completing migration of 89,000 licensee records to a new and faster Windows-based database system

Injunction

(Continued from page 4)

other cases, the Commission, together with the Consumer Protection Section of the Attorney General's office, have jointly filed civil suits to halt unlicensed brokerage and to end unfair and deceptive trade practices being used against consumers. In these cases, the Commission and Attorney General's office may pursue violations of additional statutes, such as the laws governing credit repair services, discount buying clubs, the sale of products regulated as insurance or security interests, and loan fraud.

There are several important actions a licensee can take when confronted with a transaction that may involve unlicensed brokerage activity masquerading as something else:

(1) Advise your client to consult with their own attorney before entering into a transaction with unusual documents or a "creative" approach;

(2) Consult the Consumer Protection Section of the Attorney General's Office, (919) 716-6000 or www.ncdoj.com;

(3) Contact the Commission's Legal Services Division, (919) 875-3700, Ext. 131 for additional information.

- Increasing online license renewals to 31%

Licensing

- 167,000 license record changes



- 11,409 applications processed for licenses by examination (*a 23% increase*)
- 10,430 license examinations administered (*a 23% increase*)
- 5,281 licenses by examination issued (*a 23% increase*)
- 3,294 broker licenses issued without examination (*a 20% increase*)
- 374 licenses issued by reciprocity
- 1,001 firm licenses issued (*a 41% increase*)
- 278 expired, surrendered and suspended licenses reinstated (*a 70% increase*)
- 306 license applications regarding character issues reviewed
- 123 license applicant conferences conducted (*a 50% increase*)
- 6 new and 51 renewed private real estate school licenses

Education

- 42 approvals (*a 163% increase*) and 22 renewed approvals issued to instructors
- 64 new continuing education elective courses approved (for a total of 305 courses)
- 13 new continuing education sponsors approved (for a total of 179)
- 8 new continuing education *Update Course* instructors approved (for a total of 109)
- 48 *Broker-in-Charge Course* sessions conducted for 2,719 licensees
- 2,700 student rosters electronically processed for CE courses

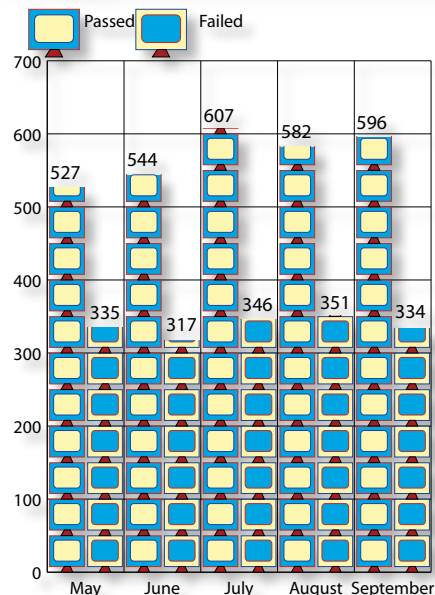
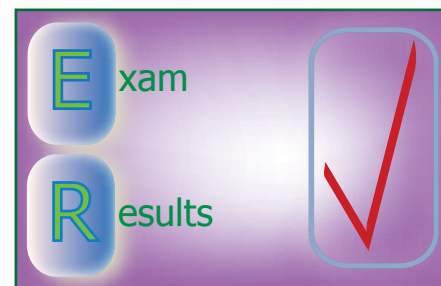
Audits/Investigations

- 109 field investigations completed
- 228 trust accounts examined (*a 34% increase*)

- 481 persons interviewed
- 26 trust account sessions conducted for 794 students
- 39 "spot inspections" performed on 70 different trust accounts

Legal

- 1,117 case (complaint) files opened (*+234 over last year*) and 1,098 closed (*+193 over last year*)
- 19 licensees reprimanded
- 54 licenses suspended
- 26 licenses revoked
- 14 licenses surrendered
- 53 cases utilized conditional remedies
- 14 Recovery Fund hearings conducted
- 26 license application hearings held



New Publications

Broker-in-Charge Guide, Q&A on Closings Add to Commission Publications List

Previously given only to persons taking the Broker-in-Charge Course, the Real Estate Commission is now making its Broker-in-Charge Guide available to all real estate licensees and interested persons.

The recently revised and redesigned Guide is required reading for anyone who wishes to become the broker-in-charge of a real estate office. What

administrative duties are imposed on the broker-in-charge? What supervisory functions must be performed? What are a broker-in-charge's responsibilities regarding trust accounts? These and many other questions are answered in this informative publication.

Also now available is the latest edition to the Commission's popular series of "questions and answers"

brochures--Questions and Answers on: Real Estate Closings.

Designed to answer many of the questions frequently asked by purchasers about residential real estate closings, the pocket-sized publication covers such topics as loan commitment letters, property inspections, title insurance, deeds, homeowner associations, and closing statements.

For information on purchasing the Broker-in-Charge Guide and Real Estate Closings brochure, see page of this Bulletin or the Commission website (www.ncrec.state.nc.us).

FREE PUBLICATIONS

Quantity Requested

Questions and Answers on:

Fair Housing

Tenant Security Deposits

Condos and Townhouses

Residential Subdivisions and Planned Communities

Purchasing Coastal Real Estate in North Carolina

Renting Residential Real Estate

Trato Con Agentes de Bienes Raíces
(Working With Real Estate Agents)

Preguntas y Respuestas sobre: (Questions and Answers On:)

Vivienda Justa
(Fair Housing)

El Depósito de Seguridad del Inquilino
(Tenant Security Deposits)

Alquiler de Inmuebles para Viviendo
(Renting Residential Real Estate)

Real Estate Licensing in North Carolina
(Contains license application)

Residential Property Disclosure Statement
(Please limit request to one copy; duplicate as needed.
Also available on the Commission's web site.)

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

Telephone _____

Email _____

How To Order:

Mail, fax or email this form to the Real Estate Commission.

Online:

www.ncrec.state.nc.us.

Select the publication icon on the home page. Complete the online form.

Mail to:

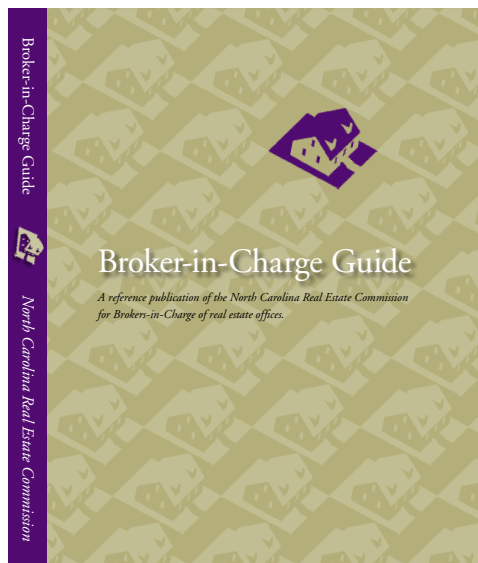
NC Real Estate Commission
ATTN: Publications
P. O. Box 17100
Raleigh, NC 27619-7100

Fax

1-919-877-4227

**This form
for free
publications
only.**

Please allow 7 days from receipt of order for delivery.



NEW BIC GUIDE

The new Guide is a reference publication covering the administrative and supervisory responsibilities of BIC's in real estate offices. Included are pertinent sections of the Real Estate Law and Commission rules. The 104-page volume, which serves as the text for the Broker-in-Charge course, will be updated as needed and available for purchase either online at the Commission's website, www.ncrec.state.nc.us or with the order forms below.

Available in November

PURCHASE PUBLICATIONS

Publication	Quantity Requested	Totals
Residential Square Footage Guidelines (\$.65 per copy)	_____	\$ _____
Working With Real Estate Agents (\$.25 per copy)	_____	\$ _____
Questions and Answers on: Home Inspections (\$.25 per copy)	_____	\$ _____
Earnest Money Deposits (\$.25 per copy)	_____	\$ _____
Real Estate Closings (\$.25 per copy) NEW!	_____	\$ _____
Broker-in-Charge Guide (\$10 per copy) NEW! (Available November)	_____	\$ _____
North Carolina Real Estate License Law and Commission Rules (\$3.00 per copy)	_____	\$ _____
Real Estate Agent Safety Guide (\$.25 per copy)	_____	_____
Amount Enclosed		\$ _____

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

Telephone _____ Email _____

☐ MasterCard ☐ Visa

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Credit card orders must be a minimum of \$1.00.

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Expiration Date

Signature: _____

Please allow 7 days from receipt of payment for delivery.

How To Order:

Mail, fax or email this form with method of payment indicated - check or credit card (MasterCard or Visa). Please do not remit cash.

Online:

www.ncrec.state.nc.us.

Select the publication icon on the home page. Follow the instructions for ordering with your MasterCard or Visa credit card.

Mail to:

Commission Publications
P. O. Box 7484
Winston-Salem, NC 27109

Fax

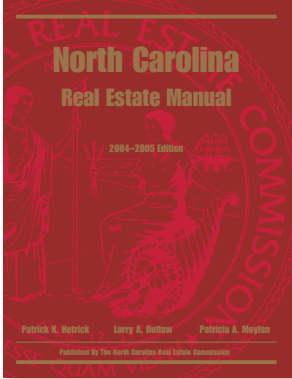
1-800-529-9162

**This form for
purchasing
publications
only.**

NORTH CAROLINA REAL ESTATE MANUAL

The *North Carolina Real Estate Manual*, published by the Real Estate Commission, is a comprehensive reference addressing real estate law and brokerage practice, North Carolina Real Estate License Law and Commission rules. It serves as the authorized textbook for the real estate broker pre-licensing course and is highly recommended for licensees, attorneys, instructors and anyone else engaged or interested in real estate law and brokerage practice.

HOW TO ORDER:



ONLINE

Go to the Commission's web site, www.ncrec.state.nc.us, select either "Licensees" or "Applicants" and click on NC Real Estate Manual to link directly with the book distributor. Follow the instructions for ordering using your MasterCard or Visa credit card.

BY MAIL OR FAX

Mail or fax an order form with payment. For credit card payments, only MasterCard and Visa are accepted. For checks, please send only cashier's or certified check or money order, payable to: North Carolina Real Estate Manual. (The Manual sales price is \$34.95 plus sales tax and shipping.)

MAILING ADDRESS:

North Carolina Real Estate Manual
P. O. Box 7484
Winston-Salem, NC 27109

FAX/VOICE MAIL:

1-800-529-9162

EMAIL:

manual@ncrec.state.nc.us

Order Form

NORTH CAROLINA REAL ESTATE MANUAL

NAME _____

ADDRESS _____

Street (NOT P.O. BOX)

CITY/STATE/ZIP _____

Telephone _____

Email _____

Single Manual @ \$43.40* (incl. Tax, Shipping) \$ 43.40

Additional Manuals @ \$38.40* each (incl. Tax, Shipping) X _____ \$ _____
Quantity

TOTAL \$ _____

☐ MasterCard ☐ Visa

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Exp Date

Signature: _____

*Manual sales price is \$34.95 plus \$2.45 sales tax and shipping. **Please allow 7 days from receipt of payment for delivery.**

AUDITOR'S CORNER



Follow These Guidelines When Establishing A Trust Account

By Emmet R. Wood
Director, Audits and Investigations

If you are the broker-in-charge of a real estate office and need to open a bank account to deposit trust funds, the bank account:

- ☐ Must be opened in an FDIC insured bank or savings and loan association in North Carolina
- ☐ Must be a demand account.
- ☐ May be an interest-bearing bank account if written authorization is obtained from the persons for whom the trust funds are being held.
- ☐ Cannot be a security, including a government bond.
- ☐ May be a certificate of deposit if the CD is insured and the money can be withdrawn on demand without any penalty that would reduce the principal amount.
- ☐ Must be designated as a "Trust Account" or "Escrow Account" on the checks, deposit tickets and bank statement.

☐ May contain a maximum of \$100 of personal funds (or such other amount as may be required) to cover bank charges.

☐ May not contain trust funds on property owned by the broker.

For more information on opening trust accounts, please see the Trust Account Guidelines, Section IV under TRUST ACCOUNTS.

NCIB
North Carolina Insured Bank

Account Number # 123-456-7890
Statement Period: 1/1/0X-1/31/0X
Page 1 of 1

Your Realty Co., Inc.
Trust Account
132 Main Street
Anytown, NC 12345

WITHDRAWALS					
Date	Check No.	Amount	Date	Check No.	Amount
1/13/0X	101	\$ 75.00			
1/22/0X	103	\$115.00 *			

*Indicates a skip in sequential check numbers

DEPOSITS					
1/4/0X		\$3,600.00			
1/5/0X		\$2,300.00			

OTHER DEBITS					
1/22/0X	DM	\$2,500.00	Non-Sufficient		
1/31/0X	DM	\$ 25.00	Printed Check		

Closing Date	Previous Balance	Deposits	Withdrawals
1/31/0X	\$ 00.00	\$ 5,900.00	\$ 190.00

MEMBER FDIC

Your Realty Company, Inc.
Trust Account
Anytown, NC 12345

1/21/0X

Your Realty Company, Inc. \$ 115.00

One hundred fifteen and 00/100 ----- Dollars

1/0X Mgt Fees - SCW John Broker

DEPOSIT TICKET

YOUR REALTY COMPANY, INC.
TRUST ACCOUNT
DATE 1/3/0X # 0X-1

	DOLLARS	CENTS
CURRENCY		
COINS		
CHECKS		
1. Your Realty Co, Inc.	\$100	00
2. Personal Funds		
3.		
4. Jones to Wood - EMD	\$1,000	00
5. 119 Maple St		
6.		
7. Clay to Thomas	\$2,500	00
8. EMD - 1362 Main		
9. Street		
TOTAL	\$3,600	00

2005 Trust Account Caravan Registration Form

Four (4) hours continuing education credit will be awarded for completion of each course.

Murphy *The Ballroom, 51 Hiawasse Street*

- ☐ March 15, 2005 9 a.m. - 1 p.m. Basic Trust Account Procedures
- ☐ March 16, 2005 9 a.m. - 1 p.m. Trust Account Procedures for Resort Property Managers

Greensboro *Ramada Inn-Greensboro Airport, 7067 Albert Pick Road*

- ☐ March 22, 2005 1 p.m. - 5 p.m. Basic Trust Account Procedures
- ☐ March 23, 2005 9 a.m. - 1 p.m. Basic Trust Account Procedures

Huntersville *Country Inn & Suites Lake Norman, 16617 Statesville Road*

- ☐ April 5, 2005 9 a.m. - 1 p.m. Basic Trust Account Procedures
- ☐ April 6, 2005 9 a.m. - 1 p.m. Basic Trust Account Procedures

Greenville *Greenville Hilton, 207 SW Greenville Blvd.*

- ☐ April 11, 2005 1 p.m. - 5 p.m. Basic Trust Account Procedures

Wilmington *Coast Line Convention Center, 501 Nutt Street*

- ☐ April 18, 2005 1 p.m. - 5 p.m. Basic Trust Account Procedures
- ☐ April 19, 2005 9 a.m. - 1 p.m. Basic Trust Account Procedures
- ☐ April 20, 2005 9 a.m. - 1 p.m. Trust Account Procedures for Resort Property Managers

Asheville *Holiday Inn East - Blue Ridge Parkway, 1450 Tunnel Road*

- ☐ April 26, 2005 9 a.m. - 1 p.m. Basic Trust Account Procedures
- ☐ April 27, 2005 9 a.m. - 1 p.m. Basic Trust Account Procedures
- ☐ April 28, 2005 9 a.m. - 1 p.m. Trust Account Procedures for Resort Property Managers

Kill Devil Hills *Ramada Inn Outer Banks Resort & Conference Center, 1701 South Virginia Dare Trail*

- ☐ May 4, 2005 9 a.m. - 1 p.m. Basic Trust Account Procedures
- ☐ May 5, 2005 9 a.m. - 1 p.m. Trust Account Procedures for Resort Property Managers

Fayetteville *Clarion Prince Charles, 450 Hay Street*

- ☐ May 9, 2005 1 p.m. - 5 p.m. Basic Trust Account Procedures

The fastest way to register is online at www.ncrec.state.nc.us. Otherwise, please complete this form (*make copies for additional persons*) and mail with a check for the \$45 tuition fee. Each session is limited to 40 participants.

NAME _____ PHONE () _____

ADDRESS _____
Street, P. O. Box City State Zip

LICENSE NO. _____

**MAIL TO: North Carolina Real Estate Commission
ATTN: Audits and Investigations Division
P. O. Box 17100
Raleigh, NC 27619-7100**

Save Time!
Register online. Just have your Visa or MasterCard information and license number available.

Register Now For A Trust Account Course; Get All of Your Questions Answered

By Gary R. Caddell
Senior Auditor/Investigator, Training Officer

Have you ever asked yourself questions like those in this article? Do you know the answers? If not, there's a place where you can get the answers and much more. Plus, you will earn continuing education credit. All you need to do is register for the Real Estate Commission's "Basic Trust Account Procedures" and "Trust Account Procedures for Resort Property Managers" courses.

The schedule for the *Spring 2005 Trust Account Caravan* offers twelve "Basic Trust Account Procedures" courses and four "Trust Account Procedures for Resort Property Managers" courses at the following locations: Asheville, Fayetteville, Greensboro, Greenville, Huntersville, Kill Devil Hills, Murphy and Wilmington. You can register on line (it's faster), or use the registration form in this issue of the Bulletin (See page 10). Each course counts as four hours of elective continuing education credit.

The "Basic Trust Account Procedures" course emphasizes instruction on the preparation and maintenance of trust account records and the reconciliation process. It covers the Commission's rules on handling and accounting of trust funds in detail, and also covers related topics, such as the Tenant Security Deposit Act. This class is a must for brokers-in-charge and bookkeepers. (Unlicensed bookkeepers are welcome.)

If I'm selling property that I own, and I also own a real estate company, can I put the earnest money deposit into my company trust account?

The "Trust Account Procedures for Resort Property Managers" class is designed to assist resort property managers with the complicated process of maintaining trust account records on vacation rentals. This course will also cover recent recommendations from the Real Estate Commission concerning changes to the Vacation Rental Act. Since this course focuses on issues specific to resort property management, the Commission recommends that you attend the Basic course prior to attending the Resort course. The Resort course is only offered during the *Spring Caravan*, so don't miss it!

What is a ledger? What is a trial balance? What is an accounts payable ledger?

Do I have to refund advance payments on a vacation rental if the rental property is damaged by a hurricane prior to the tenancy?

The *Spring 2004 Trust Account Caravan* was very successful, with a total of 531 attendees. Since demand is expected to remain high, we encourage you to register early to ensure your spot at the *Spring 2005 Trust Account Caravan*.

Do my trust account records comply with Commission Rules?

Commission Initiates Rulemaking Process

The Real Estate Commission at its October meeting agreed to commence the rulemaking process.

The Commission will consider changes in rules relating to agency agreements and disclosures, proof of licensure, advertising, handling and accounting of funds, offers and sales contracts, business entities and continuing education.

A public hearing will be scheduled, most likely in January, once specific text for these rules has been developed. Licensees should visit the Commission's website, www.ncrec.state.nc.us, for further information.

Vacation Rental Act Commission Supports Amendments

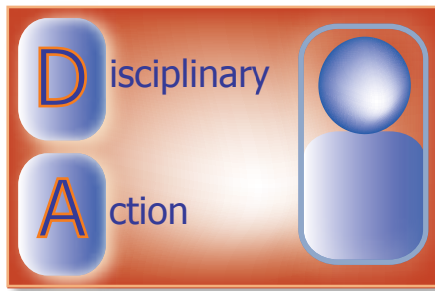
Responding to recommendations from its 2004 Vacation Rental Advisory Committee, the Real Estate Commission has agreed to support efforts to amend the North Carolina Vacation Rental Act.

One change would simplify the reporting requirements for vacation rental managers and property owners when selling property subject to a vacation rental agreement. Another would subject property owners to the same requirements for refunding rent regardless of whether the tenant is forced to leave the property due to a mandatory evacuation order or is unable to occupy it due to a mandatory evacuation order.

Also upon the recommendation of the advisory committee, the Commission will publish a brochure to better inform owners of vacation rental properties regarding security deposits, vacation interruption insurance, rent refunds and related matters. The full report of the advisory committee is available on the Commission's website, www.ncrec.state.nc.us.

Serving on the advisory committee were Timothy M. Cafferty (Corolla), Linda A. Hess (Kill Devil Hills), Kim J. Johnson (Blowing Rock), Timothy W. Midgett (Hatteras), S.R. "Buddy" Rudd, Jr. (Oak Island), J. Alan Holden (Holden Beach), Assistant Attorney General Barbara Shaw, NCAR Director of Regulatory Affairs Rick Zechini, Bill Rowe from the N.C. Justice and Community Development Center, and Real Estate Commission members Skip Alston and Wanda Proffitt. Commission Executive Director Phillip T. Fisher facilitated the discussion.

The Real Estate Commission thanked the advisory committee members for their valuable service in addressing these and other important issues affecting vacation rental consumers, property owners and rental managers.



Penalties for violations of the Real Estate Law and Commission rules 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.

GEORGE B. ALLEN (Cherryville) – By Consent, the Commission revoked the broker license of Mr. Allen effective August 6, 2004. The Commission found that Mr. Allen pled guilty in September 2003 in United States District Court to three felony counts involving the possession and distribution of cocaine and was sentenced to 21 months in prison. The Commission also found that Mr. Allen pled guilty in December 2000 to two misdemeanor violations of hunting laws in Gaston County and failed to report these to the Commission as required and, in August 1984, was found guilty of misdemeanor communicating threats and trespass without a license in Gaston County. The Commission noted that Mr. Allen voluntarily disclosed the felony criminal convictions.

ATLANTIC INLAND PROPERTIES, INC. (Greensboro) – The Commission revoked the firm license of Atlantic Inland Properties effective June 1, 2004. The Commission found that Atlantic Inland Properties, a real estate firm, failed to properly deposit and maintain on deposit in designated trust or escrow accounts all funds received for others and failed to account for those funds to their owners. The Commission also found that Atlantic Inland Properties acted outside the supervision of the firm's broker-in-charge, continued to receive funds of others while on inactive status, allowed unlicensed persons to have access to and withdraw money from a trust account of the firm and undertook to manage a property when the firm had no authority to do so.

JOSEPH W. BELL (Pollocksville) – By Consent, the Commission revoked the salesperson license of Mr. Bell effective September 9, 2004. The Commission found that Mr. Bell failed to timely report convictions in 2002 for driving while impaired and assault on a

government official in connection with a domestic dispute, and failed to respond to the Commission's Letters of Inquiry concerning these matters.

CLIFFORD G. BLAKELY (Kill Devil Hills) – By Consent, the Commission reprimanded Mr. Blakely effective September 10, 2004 on condition that he not engage in association management while licensed by the Commission. The Commission found that Mr. Blakely, as broker-in-charge of a real estate firm engaged in association management, failed to maintain records for association funds in the manner required by Commission rule.

BLUEGREEN CAROLINA LANDS, LLC (Boca Raton, Florida) – By Consent, the Commission reprimanded Bluegreen Carolina Lands effective July 19, 2004. The Commission found that Bluegreen Carolina Lands failed to accurately answer a question on its firm application regarding the license history of its sole shareholder.

MARY ANN BOWERS (Sherrills Ford) – By Consent, the Commission suspended the salesperson license of Ms. Bowers for a period of three months effective July 1, 2004. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Ms. Bowers, as a salesperson with a real estate brokerage firm, obtained written listing agreements on behalf of another broker and real estate brokerage firm without the knowledge of her broker-in-charge. Ms. Bowers then left the firm with which she had been associated and went to work for the other firm.

ANTHONY R. BRIGGS (Southport) – By Consent, the Commission revoked the broker license of Mr. Briggs effective August 1, 2004. The Commission found that Mr. Briggs, as broker-

in-charge and principal broker of a real estate brokerage firm, failed to maintain funds belonging to real estate clients and customers in a trust account, failed to maintain adequate records of said funds and converted money belonging to others to his own use. Mr. Briggs neither admitted nor denied the Commission's findings.

NEAL A. CHASTAIN, II (Dillsboro) – By Consent, the Commission accepted the one-year voluntary surrender of the broker license of Mr. Chastain effective July 19, 2004. The Commission dismissed without prejudice allegations that Mr. Chastain had violated provisions of the Real Estate License Law and Commission rules. Mr. Chastain neither admitted nor denied misconduct.

COASTAL CAROLINAS REALTY, INC. (Ocean Isle) – By Consent, the Commission reprimanded Coastal Carolinas Realty effective June 30, 2004. The Commission found that Coastal Carolinas Realty failed to maintain trust account records accurately and in compliance with Commission rules between August 2000 and August 2002. The Commission noted that Coastal Carolinas Realty subsequently undertook corrective measures to bring the trust account records into compliance.

SHIRLEY D. COLEMAN (Dillsboro) – By Consent, the Commission suspended the salesperson license of Ms. Coleman for a period of six months effective July 1, 2004. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Ms. Coleman, as a buyer agent, agreed to accept as payment of her commission a promissory note secured by a deed of trust and made payable personally to her rather than to the real estate brokerage firm with which she was associated. The Commission noted that (See **Disciplinary Action**, page 13)

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Ms. Coleman has acknowledged that any commission is due the firm rather than her personally and has agreed to assign the note to the firm.

CONCEPT 2000 REALTY, INC. (Raleigh) – By Consent, the Commission revoked the firm license of Concept 2000 Realty effective August 1, 2004. The Commission found that Concept 2000 Realty, acting as a real estate broker for sellers, failed to advertise as promised the properties it listed and abandoned its clients. The Commission also found that Concept 2000 Realty refused to respond to a Letter of Inquiry concerning complaints made by the clients. The Commission noted that Concept Realty 2000 refunded to one client certain monies paid to it as fees.

MARY P. COOPER (Fayetteville) – By Consent, the Commission suspended the salesperson license of Ms. Cooper for a period of one year effective July 1, 2004. The Commission then stayed the suspension for a probationary period of two years. The Commission found that Ms. Cooper had exclusive control of the property management trust account and without the benefit of supervision from her broker-in-charge, failed to reconcile the trust account on a monthly basis and failed to maintain evidence of any attempt to reconcile the account. The Commission also found that Ms. Cooper engaged in deficit spending from the property management trust account.

ROBERT J. CRAIG (Hiwassee) – By Consent, the Commission suspended the broker license of Mr. Craig for a period ninety days effective July 1, 2004. The Commission then stayed the suspension for a probationary term. The Commission found that Mr. Craig submitted an offer to purchase a lot to the seller and then neglected to notify the buyers of the seller's acceptance of the offer. The Commission also found that Mr. Craig inaccurately informed the seller that the buyers would not qualify for financing.

JAMES DAVID DUNAWAY (Cashiers) – By Consent, the Commission suspended the broker license of Mr. Dunaway for a period of one year effective

November 1, 2004. Six months of the suspension were to be active with the remainder stayed for a probationary period. The Commission found that Mr. Dunaway failed to disclose on his application for a broker license by reciprocity a 1979 criminal conviction for aggravated assault in Loudon County, Tennessee. The Commission also found that in August, 2000, Mr. Dunaway received a deferred prosecution and was placed on probation after pleading guilty to two counts of theft by conversion stemming from his handling of money borrowed from lenders in support of his automobile leasing business. The Commission noted that Mr. Dunaway was cooperative throughout the Commission's investigation.

FIVE STAR REALTY, INC. (Fayetteville) – By Consent, the Commission suspended the firm license of Five Star Realty for a period of one year effective July 1, 2004. The Commission then stayed the suspension for a probationary period of two years. The Commission found that Five Star Realty's rental trust account was short \$1,700 and that Five Star Realty failed to perform monthly reconciliations or prepare monthly trial balances, and routinely collected less than the full amount of tenant security deposits.

DAVID B. GLADNEY (Fayetteville) – By Consent, the Commission suspended the broker license of Mr. Gladney for a period of one year effective July 1, 2004. The Commission then stayed the suspension for a probationary period of two years. The Commission found that Mr. Gladney, while principal broker and broker-in-charge of a real estate firm, failed to respond to Letters of Inquiry. The Commission also found that Mr. Gladney's rental trust account was short \$1,700 and that he failed to perform monthly reconciliations, and routinely collected less than the full amount of tenant security deposits.

HARVEY W. GOUCH (Cornelius) – The Commission revoked the broker license of Mr. Gouch effective October 1, 2004. The Commission found that Mr. Gouch, as a licensed broker failed to completely and adequately respond to letters of inquiry from the Commission,

failed to create and maintain records of a real estate transaction, failed to make those records he did have available to the Commission upon request, and failed to provide the purchaser in the transaction with a copy of the purchase contract at the time the contract was entered and after receiving partial payment of \$11,000 for the property.

RONALD S. GREENE (Winston-Salem) – By Consent, the Commission accepted the voluntary permanent surrender of the broker license of Mr. Greene effective July 28, 2004. The Commission dismissed without prejudice allegations that Mr. Greene had violated provisions of the Real Estate License Law and Commission rules. Mr. Greene neither admitted nor denied misconduct.

SANDRA HOLLIDAY-HOWELL (Wilmington) – By Consent, the Commission revoked the broker license of Ms. Holliday-Howell effective June 17, 2004. The Commission found that, while serving as broker-in-charge of a real estate firm, Ms. Holliday-Howell and a broker associate wrote checks against the firm's operating account without authority and that she converted over \$60,000 to her own benefit.

DONALD W. HOWARTH (Bald Head) – By Consent, the Commission reprimanded Mr. Howarth effective June 1, 2004. The Commission found that Mr. Howarth, acting as listing agent in a transaction, did not fully investigate and relate accurate property boundaries to buyers. As a result, the buyers purchased a vacant lot other than the one they intended to purchase. The Commission noted that Mr. Howarth entered into a satisfactory settlement with the buyers, enabling them to secure the property they originally intended to purchase, and that the buyers have listed other properties they own with Mr. Howarth's firm.

J&W ENTERPRISES, INC. (Dillsboro) – By Consent, the Commission accepted the one-year voluntary surrender of the firm license of J&W Enterprises effective May 1, 2004. The Commission dismissed without prejudice allegations that J&W Enterprises had violated provisions of the Real Estate License Law and Commission rules. J&W Enterprises (See **Disciplinary Action**, page 14)

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neither admitted nor denied misconduct.

ROBERT D. JONES (Raleigh) - By Consent, the Commission suspended the salesperson license of Robert D. Jones for a period of nine months effective May 11, 2004. The Commission then stayed the suspension for a probationary period of nine months. The Commission found that Mr. Jones failed to disclose certain criminal convictions between the years 1987 and 1995 on his 1998 salesperson license application. The Commission noted that Mr. Jones did disclose the convictions on his 2003 broker application.

JORDAN LAKE PRESERVE CORPORATION (Pittsboro) - By Consent, the Commission reprimanded Jordan Lake Preserve Corporation effective July 19, 2004. The Commission found that Jordan Lake Preserve Corporation failed to accurately answer a question in its firm license application regarding the prior history of its sole shareholder. The Commission noted that Jordan Lake Preserve Corporation, on its own initiative and before the Commission was aware of the error, voluntarily disclosed the error and submitted corrected information.

BONNIE L. KEELING (Snow Camp) - The Commission revoked the salesperson license of Ms. Keeling effective June 1, 2004. The Commission found that Ms. Keeling, as principal of a real estate firm, failed to properly deposit and maintain on deposit in designated trust or escrow accounts all funds received for others and failed to account for those funds to their owners. The Commission also found that Ms. Keeling acted outside the supervision of her broker-in-charge, continued to receive funds of others while on inactive status, allowed unlicensed persons to have access to and withdraw money from a trust account of the firm and undertook to manage a property when she had no authority to do so.

ERIC S. KENNEDY (Mount Olive) - By Consent, the Commission suspended the salesperson license of Mr. Kennedy for a period of six months effective June 16, 2004. The suspen-

sion was then stayed for a probationary period of six months. The Commission found that Mr. Kennedy failed to disclose two misdemeanor convictions on a 1993 application to the Commission. The Commission also found that Mr. Kennedy failed to disclose three additional misdemeanor convictions (all related to driving) after he was licensed. The Commission noted that Mr. Kennedy properly revealed his criminal history in connection with his broker license application.

SHARON M. LANE a/k/a SCARLETT SIMMONS (Raleigh) - By Consent, the Commission revoked the broker license of Ms. Lane effective September 30, 2004. The Commission found that Ms. Lane used the alias Scarlett Simmons. She listed both names as officers and directors on her firm license application and thereby obtained her license by false or fraudulent representation. The Commission also found that Ms. Lane knowingly operated her firm under a new name without meeting the Commission's name change requirements. In 1998, Ms. Lane deeded property under the name Scarlett Simmons and falsely told the closing attorney that Scarlett Simmons was her mother. In 1999, she gave a creditor a deed of trust in the name Scarlett Simmons and then notarized her own signature using the notary certificate issued in the name Sharon Lane. Finally, the Commission found that Ms. Lane obtained driver licenses and social security numbers in both names.

LOGGERHEAD REALTY, LLC (Southport) - By Consent, the Commission revoked the firm license of Loggerhead Realty effective August 1, 2004. The Commission found that Loggerhead Realty failed to maintain funds belonging to others in a trust account and failed to maintain adequate records of said funds. Loggerhead Realty neither admitted nor denied the Commission's findings.

ELIZABETH B. MARKHAM (Raleigh) - By Consent, the Commission reprimanded Ms. Markham effective July 1, 2004. The Commission found that Ms. Markham, acting as listing agent for a residential property, failed to discover and disclose information about

a planned road construction project that would impact the property, even though MLS listings for other properties in the subdivision included such disclosures. The Commission noted that Ms. Markham cooperated with the Commission in the investigation of the matter and voluntarily entered into a civil settlement with the purchaser.

PATRICK L. MCSWAIN (Gastonia) - By Consent, the Commission suspended the salesperson license of Mr. McSwain for a period of six months effective June 17, 2004. The Commission then stayed the suspension for a probationary period of six months. The Commission found that Mr. McSwain failed to disclose on his 2003 salesperson license application two misdemeanor convictions.

GERRARD A. MILLER (Charlotte) - By Consent, the Commission reprimanded Mr. Miller effective August 1, 2004. The Commission found that Mr. Miller failed to disclose a 1996 conviction of the misdemeanor charge of injury to real property on both his 1999 salesperson license application and on a 2003 license reinstatement application. The Commission noted that Mr. Miller did submit a criminal record check, as required by the new application, which revealed the conviction.

KRISTI A. MILLER (Sanford) - By Consent, the Commission suspended the broker license of Ms. Miller for a period of six months effective June 1, 2004. One month of the suspension is to be active with the remainder stayed for a probationary period of 12 months under certain conditions. The Commission found that Ms. Miller, as broker-in-charge of a real estate brokerage firm, failed to maintain the firm's trust account records in compliance with the Real Estate License Law and Commission rules, resulting in an overage in the account. The Commission noted that Ms. Miller's license was on inactive status at the time of its order.

KAREN FAITH MIMS (Four Oaks) - By Consent, the Commission reprimanded Ms. Mims effective September 1, 2004. The Commission found that Ms. Mims, as a real estate broker and (See **Disciplinary Action**, page 15)

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certified appraiser, performed approximately eight appraisals containing inaccurate or incomplete information and submitted them to lenders to be used for purposes of obtaining loans.

MORRISON FAMILY REALTY, INC. (Raleigh) – By Consent, the Commission revoked the firm license of Morrison Family Realty, Inc., effective September 30, 2004. The Commission found that Morrison Family Realty, in applying for a firm broker license in 1998, listed two different names as officers and shareholders of the corporation when the names actually represented one person, thus obtaining a firm license by false and fraudulent representation. The Commission also found that in 1999 the firm notified the Commission of a change in its corporate name and, when informed of the items it was required to submit to the Commission to change the name, failed to submit the required items and proceeded to operate under the new name anyway.

AMANDA W. PEELER (Mebane) – By Consent, the Commission suspended the salesperson license of Ms. Peeler for a period of one year effective July 28, 2004. The Commission found that Ms. Peeler failed to disclose a 1999 misdemeanor criminal conviction of “indignities to a police officer” on both her salesperson and broker license applications.

ELLAPETERSON-ROMAN (Greensboro) – By Consent, the Commission revoked the broker license of Ms. Peterson-Roman effective October 1, 2004. The Commission found that Ms. Peterson-Roman, as broker and manager for owners of rental properties, failed to maintain the funds of others in her possession in a trust account, and failed to maintain the records of said funds so as to create a clear audit trail. The Commission also found that Ms. Peterson-Roman failed to account for and remit trust monies, that checks drawn on her trust account were not paid by her bank due to insufficient funds, and that her liability for money belonging to others exceeded the balance on deposit by more than \$30,000.

SHERI PHARES-MORITZ (Ra-

leigh) – By Consent, the Commission suspended the broker license of Ms. Phares-Moritz for a period of six months effective August 1, 2004. One month of the suspension was active with the remainder stayed for a probationary period of 12 months. The Commission found that Ms. Phares-Moritz, acting as a real estate broker for sellers, failed to advertise as promised the properties listed by her and abandoned her clients. The Commission also found that Ms. Phares-Moritz refused to respond to a Letter of Inquiry concerning complaints made by the clients. The Commission noted that Ms. Phares-Moritz refunded to one client certain monies paid to her as fees.

CHRISTIAN L. PIGOTT (Ocean Isle Beach) – By Consent, the Commission suspended the salesperson license of Mr. Pigott for a period of nine months effective October 1, 2004. Three months of the suspension are to be active with the remainder stayed for a probationary period of six months. The Commission found that Mr. Pigott, on both his July 2003 salesperson license application and September 2003 broker license application, falsely stated that he had been convicted of only one criminal offense when in fact he had been convicted of four additional offenses: Resisting a Public Officer, Possession of Marijuana, and Reckless Driving (all in 1994) and Reckless Driving to Endanger (2003).

LINDA L. REAVES (Ocean Isle) – By Consent, the Commission reprimanded Ms. Reaves effective June 30, 2004. The Commission found that Ms. Reaves, as principal broker and broker-in-charge of a real estate firm between August 2000 and August 2002, failed to maintain trust account records accurately and in compliance with Commission rules. The Commission noted that Ms. Reaves subsequently undertook corrective measures to bring the trust account records into compliance.

RICHARD G. RICOZZI (Charlotte) – By Consent, the Commission reprimanded Mr. Ricozzi effective July 1, 2004. The Commission found that Mr. Ricozzi, while an active licensed salesperson and an appraiser certified by the North Carolina Appraisal Board, failed to report to the Real Estate Com-

mission a disciplinary action by the Appraisal Board, as required by Commission rules.

SEA RANCH REALTY, INC. (Kill Devil Hills) – By Consent, the Commission reprimanded Sea Ranch Realty effective September 10, 2004 on condition that it not engage in homeowner association management while licensed by the Commission. The Commission found that Sea Ranch Realty, a real estate firm engaged in association management, failed to maintain records for association funds in the manner required by Commission rule.

ANN S. SHIELDS (Pfafftown) – By Consent, the Commission accepted the voluntary surrender of the salesperson license of Ms. Shields for a period of five years effective July 21, 2004. The Commission dismissed without prejudice allegations that Ms. Shields had violated provisions of the Real Estate License Law and Commission rules. Ms. Shields neither admitted nor denied misconduct.

J. C. SMITH (Hickory) – By Consent, the Commission suspended the broker license of Mr. Smith for a period of six months effective July 1, 2004. The Commission then stayed the suspension. The Commission found that Mr. Smith, as principal broker and broker-in-charge of a real estate firm, did not act as the firm's broker-in-charge and failed to supervise the salesperson employed at the firm.

BOOKER T. TATE (Durham) – By Consent, the Commission revoked the salesperson license of Mr. Tate effective August 24, 2004. The Commission found that Mr. Tate, while operating a real estate brokerage office, failed to properly deposit, maintain on deposit, account for, or remit to those entitled, the funds of others received by him in his capacity as a real estate licensee. Mr. Tate neither admitted nor denied, but did not contest, the Commission findings.

JOAN A. TERHUNE-WALDRON (Hampstead) – By Consent, the Commission revoked the salesperson license of Ms. Terhune-Waldron effective July 19, 2004. The Commission found that Ms. Terhune-Waldron, while in charge of a vacation rental trust account, failed to (See **Disciplinary Action**, page 16)

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properly deposit and disburse the funds of others received as a licensee.

WAYNE T. YOUNTS REALTY AND CONSTRUCTION, INC. (Fayetteville) – By Consent, the Commission suspended the firm license of Wayne T. Younts Realty & Construction for a period of one year effective July 1, 2004. The Commission then stayed the suspension for a probationary period one year. The Commission found that Wayne T. Younts Realty & Construction, as a real estate firm broker, failed to maintain its trust account books and records in compliance with the License Law and Commission rules. The Commission noted that no consumers were harmed as a result and the firm's books and records are now being maintained as required.

KATHY G. WILLIAMS (Maiden) – By consent, the Commission suspended the broker license of Ms. Williams for a period of six months effective July 1, 2004. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Ms. Williams, as broker-in-charge of a real estate brokerage firm, permitted a salesperson employed by another firm and under the supervision of that firm's broker-in-charge, to obtain written listing agreements on her firm's behalf without the knowledge of the salesperson's broker-in-charge. The salesperson then left the firm with which she had been associated and went to work for Ms. Williams' firm.

JOSEPH H. WILLIAMS (Butner) – By Consent, the Commission revoked the broker license of Mr. Williams effective July 28, 2004. The Commission found that Mr. Williams, while acting as broker-in-charge of a real estate brokerage firm, failed to properly deposit, maintain on deposit, account for, or remit to those entitled, the funds of others received by persons under his supervision in his capacity as a real estate licensee. Mr. Williams neither admitted nor denied the Commission's findings.

ANNER E. WILLIS (Durham) – By Consent, the Commission reprimanded Ms. Willis effective July 1, 2004. The Commission found that Ms. Willis,

as a real estate broker and doing business as Willis Realty, failed to maintain her trust account books and records in accordance with the Real Estate License Law and Commission rules. The Commission noted that Ms. Willis has since taken the Basic Trust Account course and changed her record-keeping to bring the accounts into compliance and that no consumers were harmed as a result of her conduct.

MARC H. WILSON (Celebration, Florida) – By Consent, the Commission reprimanded Mr. Wilson effective May 13, 2004. The Commission found that Mr. Wilson, as broker-in-charge of a real estate office, failed to deposit credit card receipts in a trust account in North Carolina, resulting in the trust account records failing to balance to the trust account bank statements. The Commission noted that no consumer funds were lost and the trust account was brought into balance.

LEROY W. YATES (Rockingham) – By Consent, the Commission revoked the broker license of Mr. Yates effective June 1, 2004, but agreed to grant an application by him for a salesperson license upon certain conditions. The Commission found that Mr. Yates, as broker-in-

charge of his own real estate office, was unable to properly maintain the trust account records in the manner required by Commission rule. The Commission noted that Mr. Yates cooperated with the Commission investigation and was resolving the accounting problems by closing out his business.

WAYNE T. YOUNTS (Fayetteville) – By Consent, the Commission suspended the broker license of Mr. Younts for a period of one year effective July 1, 2004. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Mr. Younts, as principal broker and broker-in-charge of a real estate brokerage firm, failed to maintain his trust account books and records in compliance with the License Law and Commission rules. The Commission noted that no consumers were harmed as a result, and Mr. Younts' books and records are now being maintained as required.

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