



## NORTH CAROLINA REAL ESTATE COMMISSION

# Real Estate Bulletin

Volume 27

Spring 1996

Number 1

### New Records Specialist joins staff



The Real Estate Commission recently filled a position in the Records Section of the Administration Division.

Susanne H. Viens has been employed as a Records Specialist. A native of Germany, Susi has lived in North Carolina for over 10 years.

A former pharmacist's assistant, Susi came to the Commission from Fayetteville, where she had been employed as a real estate secretary for over six years. She was licensed as a real estate salesman in 1991.

As a Records Specialist, Susi will assist in updating and maintaining licensee files. □

### Renewal Reminder

#### *Please remember...*

Renewal applications are being mailed May 10. To avoid the \$5 late penalty, your renewal application must be returned to the Commission with your fee and be received in the Commission office no later than June 30. □

## "Commission" with a capital "C"

*By: Phillip T. Fisher, Executive Director*

**F**rom your prelicensing course(s), you may recall reading about the "Commission" - not the payment due an agent in connection with a real estate transaction - but your real estate licensing and regulatory agency.

Perhaps you remember learning that the Real Estate Commission is comprised of seven members (five members, before 1979), who are appointed by the Governor for three-year terms. You may even remember that some Commission members are required to have real estate licenses and that others must be "public" members (not licensed as real estate brokers or salesmen). But beyond that, your knowledge of the Real Estate Commission's function and responsibilities is probably vague. After all, unless you have requested or been required to appear before it, you very likely have had little contact with the Real Estate Commission.

Consequently, you may not know that, among other things, Commission members...conduct hearings on complaints against licensees, decide whether to accept settlement proposals, and, when necessary, discipline brokers and salesmen in re-

sponse to more than a thousand complaints received each year...review license applications and, when necessary, interview applicants and hold hearings on whether to license them...hold hearings to consider the adoption and amendment of rules governing license applicants and licensees...make decisions on appropriations and budgetary matters...confer on personnel and administrative questions...participate on national committees with other real estate officials...work with the General Assembly on legislation affecting the real estate industry...approve publications...rule on claims made against the Real Estate Recovery Fund...meet with industry representatives and consumers...approve the content of continuing education update courses...review the performance of real estate schools...and consider applicants for timeshare project registration.

Not surprisingly, with approximately 80,000 licensees to oversee and 800 persons applying for licenses each month, Commission members spend nearly one week each month in meetings and hearings - assisted by a staff of 41 administrators, educators, attorneys,

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## REAL ESTATE BULLETIN

Published quarterly as a service to real estate licensees to promote a better understanding of the Real Estate License Law 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 **North Carolina Real Estate Commission Real Estate Bulletin**.

### NORTH CAROLINA REAL ESTATE COMMISSION

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Raleigh, North Carolina 27619 - 7100  
Phone 919/733-9580  
James B. Hunt, Jr., Governor

### COMMISSION MEMBERS

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John D. Bridgeman .... Gastonia  
Vice-Chairman  
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Executive Director

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Pamela R. Milligan .... Licensing Officer

### LEGAL

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Spec. Dep. Attorney General  
Blackwell M. Brogden, Jr. .... Chief Dep. Lgl.  
Counsel  
Miriam J. Baer .... Dep. Lgl. Counsel  
Marilyn E. Tomei .... Asst. Lgl. Counsel  
Stephen L. Fussell .... Cons. Prot. Officer  
Robin F. Oliver .... Cons. Prot. Officer  
Rebecca A. Sabel .... Information Officer

Editor - in - Chief

Phillip T. Fisher

Editor

Carrie D. Worthington

### EXAM RESULTS

	Passed	Failed
December 1995		
Brokers	107	55
Salesmen	533	316
January 1996		
Brokers	115	56
Salesmen	526	278
February 1996		
Brokers	78	73
Salesmen	235	202

## Commission Staff Update

Faye A. Dunn, a secretary in the Legal Division, has assumed the position of Continuing Education Clerk in the Education Division. Faye has been on the Commission staff since 1986, when she was employed as receptionist.

As Continuing Education Clerk, Faye will assist Continuing Education Officer Evelyn G. Johnston in coordinating the Commission's CE Program.



The following Commission staff members have made appearances before various real estate industry and related groups since the last issue of the **Bulletin**. Special Deputy Attorney General **Thomas R. Miller** discussed the new Residential Property Disclosure Act when he addressed the Wilson Board of REALTORS®...Deputy Legal Counsel **Miriam J. Baer** also discussed the Residential Property Disclosure Act in a speech before the Rutherford County Board of REALTORS® in Rutherfordton; Miriam

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### REGISTRATION FORM

for

### BASIC TRUST ACCOUNT PROCEDURES COURSE

### MONTHLY - RALEIGH

Course will comply with Commission Rule Section 58 A.1705 Attendance and Participation Requirements for Continuing Education. **Four (4) hours continuing education elective credit will be awarded for completion of the course.** The course will begin at 1:00 p.m. and end at 5:00 p.m.

The course is intended for brokers and trust account bookkeepers. Salesmen will be admitted on a space available basis. Each session is limited to 40 participants, scheduled according to date received.

Complete this form (*make copies for additional persons*) and mail with a check for **\$35 tuition fee** to be received by the Commission no later than 7 working days prior to date of preferred session. **Walk-ins will be accepted on a space available basis only.**

☐ June 4

☐ August 13

☐ October 8

☐ July 9

☐ September 10

☐ November 5

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

(Daytime)

Address \_\_\_\_\_

(Street, P.O. Box, etc.)

(City)

(State)

(Zip)

☐ Broker (License No. \_\_\_\_\_)

☐ Salesman (License No. \_\_\_\_\_)

☐ Bookkeeper

Mail to: **NC REAL ESTATE COMMISSION**

Attention: License Specialist

P. O. Box 17100

Raleigh, NC 27619-7100

Enclose \$35 tuition fee

## Commission Staff Update

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was in Greensboro to participate in an Instructor Workshop conducted by the Professional Standards Committee of the North Carolina Association of REALTORS®; and she talked about topics including earnest money and seller's property disclosure at a meeting of the Gaston Association of REALTORS® in Gastonia...Assistant Legal Counsel **Marilyn E. Tomei**, at a Fair Housing Workshop sponsored by the City of Goldsboro's Community Affairs Commission, discussed the impact of fair housing laws on real estate agents...Education and Examination Officer **Anita R. Burt** and Continuing Education Officer **Evelyn G. Johnston** were in Southern Pines at a meeting of the Sandhills Association of REALTORS®, where Anita discussed real estate continuing education issues...

### For your information...

After October 1, 1996, any person who inspects residential buildings for compensation must be licensed by the N.C. Home Inspector Licensure Board. However, you are not required to have a home inspector's license when performing your duties as a licensed real estate agent.

Residential buildings include single and multi-family dwellings, townhouses, condominiums and manufactured housing (mobile homes). Excluded under the law are apartments with more than four units, hotels, motels, and other non-residential commercial buildings.

For clarification or further information, contact the N.C. Home Inspector Licensure Board, P.O. Box 26387, Raleigh, N.C. 27611.

**Stephen L. Fussell**, a Consumer Protection Officer, spoke on complaints received by the Commission involving property managers, when he appeared before the Property Management Meeting of the Fayetteville Association of REALTORS®; **Steve** addressed the Catawba Valley Board of REALTORS® at a meeting in Hickory, where he talked about fair housing, real estate agency agreements and disclosure, and other issues of special concern to the Commission...Consumer Protection Officer **Robin F. Oliver**'s address before the Greenville Area

Property Managers' Association in Greenville dealt with issues including tenant security deposits...and **Rebecca A. Sabel**, The Commission's Information Officer, spoke on real estate licensing and property management subjects when she addressed a Wake Technical Community College "Real Property Management" class in Raleigh.

(Individuals and groups requesting a speaker from the Real Estate Commission are reminded that a "Speaker Request Form" is available from the Commission Office.) □

### REAL ESTATE COMMISSION PUBLICATIONS ORDER FORM

Publication	Send 1 Free Copy <input checked="" type="checkbox"/>	No. Copies Requested	Price Per Copy	Subtotal
<i>Res. Property Disclosure Statement and Guidelines</i>	<input type="checkbox"/>			
<i>Questions and Answers on: Tenant Security Deposits</i>	<input type="checkbox"/>		x \$ .25 =	
<i>Questions and Answers on: Fair Housing</i>	<input type="checkbox"/>		x \$ .25 =	
<i>Questions and Answers on: Condos and Townhouses</i>	<input type="checkbox"/>		x \$ .25 =	
<i>Questions and Answers on: Who Agents Represent</i>	<input type="checkbox"/>		x \$ .25 =	
<b>Total (Includes Postage/Shipping)</b>				=
				( )

Name \_\_\_\_\_

Phone Number (Including Area Code) \_\_\_\_\_

Street Address (NOT P.O. BOX) \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

#### Instructions

1. You may request a free copy of each publication by returning this Order Form or calling the Commission office (919) 733-9580, ext.3.
2. The Commission will furnish only one copy of the *Residential Property Disclosure Statement and Guidelines*. It may be duplicated if additional copies are needed.
3. To order multiple copies of these publications, return the completed Order Form with your check made payable to the N.C. Real Estate Commission. (Please do not send cash.)
4. Send to N.C. Real Estate Commission, P.O. Box 17100, Raleigh, N.C. 27619-7100. Attention: Publications.
5. Please allow two weeks for delivery.
6. Space has been provided on the *Questions and Answers* brochures if you wish to add your company name.



# Prelicensing "Character Review": It's worth the Commission's time and effort!

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



In order to fulfill its obligations to real estate consumers, the Real Estate Commission must

seek to ensure that its applicants for licensure are worthy of the public's trust. As stated in the License Law and Commission rules, requisite character traits include "honesty, truthfulness, integrity." But how does the Commission determine whether applicants possess these traits?

## **The Application**

The license application form is designed, in part, to measure the applicant's worthiness for licensure. It requires each applicant to supply the names of two character references and information about any prior professional license problems, criminal charges or convictions, and unresolved civil claims.

This and other information is reviewed by the Executive Director of the Commission after the applicant has passed the license examination.

## **The Character Inquiry and Conference**

As a part of the review process, the Commission staff may make further inquiries to other agencies, organizations, or potential witnesses and require applicants to explain any discrepancies between the information they reported and information obtained by these inquiries.

At its regular monthly meeting, the Commission considers applications for licensure. When a question remains concerning an applicant's

character, the Commission continues its consideration of the application, and gives the applicant an opportunity for a conference to assess the applicant's character and review points of concern.

## **The Character Conference**

The conference is an informal meeting among two members of the Commission, the Executive Director, a staff attorney, the applicant, and the applicant's attorney (if the applicant has one). At the conference, the participants have an opportunity to discuss concerns about the applicant's character.

If, following the conference, the two Commission members are persuaded that the applicant is qualified for licensure, they will recommend to the full Commission that the license be issued. But if a question still remains, the license will not be issued and the applicant will be notified of his/her right to a formal hearing before the entire Commission. Any applicant who desires a hearing must request one within 60 days following receiving the notification. The Commission will then serve the applicant with a "Notice of Hearing," which will describe the evidence alleging that he or she lacks the necessary character for licensure.

## **The Character Hearing**

At the hearing, the applicant may be represented by counsel, and a Commission attorney represents the State to oppose the application. The applicant is given an opportunity to explain the events which raised character questions. Witnesses may be called by the applicant and the Commission's attorney to testify under oath subject to

cross-examination, and facts concerning the applicant's character are entered into evidence. A court reporter transcribes the hearing into a permanent record.

Commission members hearing the case examine the evidence and assess the applicant's character before deciding whether to entrust the applicant with a license. Because each applicant and each situation is different, the determination of whether a person is worthy of licensure is made on an individual basis. Therefore, it is impossible to say whether a particular circumstance will cause the Commission to deny licensure to an applicant.

The grant or denial of an application for licensure by the Commission is set out in a formal order issued after the hearing. This final decision is subject to judicial review under North Carolina law.

An average of six or more conferences and hearings are conducted by the Commission each month, with most hearings taking between one and two hours.

## **Conclusion**

Some applicants immediately satisfy the Commission as to their honesty, truthfulness, and integrity; receive a license; and enter a new career as real estate professionals. Others go through the character review process several times over a period of years before obtaining a license. Some are never licensed.

The Commission rarely has had to impose disciplinary action against licensees who went through the full character review process prior to licensure. Therefore, the benefits of the process are worth the Commission's investment of time and resources. □

# Smoke detectors required in residential rental properties

By Robin F. Oliver, Consumer Protection Officer

Did you know that a new law, effective January 1, 1996, requires smoke detectors in all residential rental properties in North Carolina, regardless of the age of the dwelling? Media reports of fatal fires in rental properties which did not have working smoke detectors may indicate a need for the new law.

The smoke detector law imposes a duty on landlords and their agents to:

- 1) **provide operable smoke detectors.** The detectors may be either battery-operated or electrical, but they must have a UL (Underwriters' Laboratories, Inc.) listing or other equivalent national testing laboratory approval;
- 2) **properly install all detectors** in accordance with either the standards of the National Fire Protection Association or the minimum protection designated in the manufacturer's instructions. (Manufacturer's instructions must be saved as proof of compliance by any landlord or agent who installs smoke detectors ac-

cording to the manufacturer's minimum protection standards);

- 3) **replace or repair the smoke detectors** when notified by the tenant in writing of any needed replacement or repairs; and
- 4) **replace all batteries in a battery-operated smoke detector** at the beginning of each tenancy unless the landlord and tenant have a written agreement to the contrary. (Without an agreement to the contrary, the *tenant* is responsible for replacing batteries in a battery-operated smoke detector *during the course of the tenancy*.)

## Caveat

Real estate licensees must comply with this new smoke detector law when acting as property managers for others *and* when handling any personal rental properties. Any licensee who fails to comply with the law will be subject to disciplinary action by the Real Estate Commission. □

## Disciplinary action

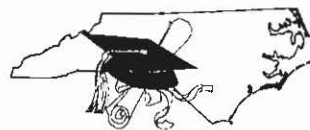
*Penalties for violations of the Real Estate License Law and Commission Rules vary depending upon the particular facts and circumstances present in each case. Due to space limitations in the Bulletin, a complete description of such facts cannot be reported in the following Disciplinary Action summaries.*

J V BASICS, INC. (Fayetteville) - By Consent, the Commission reprimanded J V Basics, Inc. effective February 12, 1996. The Commission found that J V Basics, Inc. had

failed to properly designate all of its trust accounts, had failed to insure that all trust monies were deposited into designated trust accounts, and had allowed an unlicensed officer to perform acts which required a real estate license. The Commission noted that J V Basics, Inc. had not misappropriated or misspent any trust monies and had cooperated with the Commission's investigation.

JAMES N. BOSTIC, JR. (Jacksonville) - By Consent, the Commission revoked Mr. Bostic's broker license

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## CE Corner

### Renewal Reminder from the Education Division

On your renewal application, you will see a summary of the continuing education reported to the Commission during the current fiscal year and credited to your record as of April 26. Because sponsors are allowed 15 days following a class to report CE credits to the Commission, **courses taken after April 11 may not be reflected on your application.**

### When you have CE questions...

We at the Real Estate Commission are always happy to provide answers. However, if your questions concern your CE credits, please do not call unless you have reason to believe that an error has been made. When calling, have the following available:

- Your license number
- Your mailing label from the latest *Real Estate Bulletin*
- Your mailing label from the latest *CE Schedule*
- Date you completed your last CE course □

## "Commission"

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accountants, investigators, and support personnel.

Although the members find it a gratifying and rewarding experience, service on the Real Estate Commission requires a special commitment of time and energy that is perhaps unsurpassed by any other agency of state government. North Carolina residents and the real estate community in our state are indeed fortunate to have among them individuals willing to contribute their time and talents to this important task. □

## Disciplinary action

(continued from page 5)

effective March 1, 1996. On or after June 1, 1996, Mr. Bostic may apply for and shall be issued a real estate salesman license without examination, upon certain conditions. The Commission found that Mr. Bostic - as closing agent in a real estate transaction - had failed to deposit into his escrow account all funds he had received from the buyer to close the transaction, had failed to prepare and deliver to the parties in the transaction an accurate closing statement, and had failed to fulfill his promise to purchase a home warranty for the buyer even though he had received funds for this purpose from the buyer. The Commission further found that Mr. Bostic had failed to account for or remit all funds he had received on behalf of certain property management clients and that as of April 1995, his property management escrow account was short in excess of \$13,000. Mr. Bostic could not produce complete records of the use of his trust account or of his handling of the funds of his clients and customers.

WARREN G. BOYD, JR. (New Bern) - By Consent, the Commission revoked Mr. Boyd's salesman license effective December 8, 1995. The Commission found that Mr. Boyd had operated an unlicensed real estate corporation and had failed to properly deposit, maintain on deposit, account for or remit the funds of others received by the corporation in real estate transactions. Mr. Boyd neither admitted nor denied any misconduct.

CAROL S. BYRD (Cary) - The Commission accepted the voluntary surrender of Ms. Byrd's broker license for three years effective December 14, 1995. The Commission dismissed without prejudice charges that Ms. Byrd had violated provisions of the Real Estate License Law. Ms. Byrd neither admitted nor denied any misconduct.

JOSEPH H. CALL, JR. (Raleigh) - By Consent, the Commission reprimanded Mr. Call effective April 1,

1996. The Commission then issued a corporate real estate broker license to T.M.C., Inc. The Commission found that since 1986, Mr. Call had been an officer and shareholder in and had substantially controlled the affairs of T.M.C., Inc., which had engaged in property management since its formation in 1970, but that he had failed to obtain a corporate real estate broker license from the Commission.

ANDREW P. CARTER (Sneads Ferry) - The Commission revoked Mr. Carter's salesman license effective February 16, 1996. The Commission found that Mr. Carter had been convicted of possession of cocaine with intent to distribute.

ROBIN P. CARTER (Fayetteville) - By Consent, the Commission suspended Ms. Carter's broker license for three years effective February 1, 1996. One year of the suspension is to be active and the remaining period stayed for a probationary term of two years. The Commission found that Ms. Carter, while acting as broker-in-charge for two different corporate real estate brokers, had failed to establish properly designated trust accounts and trust account records. The Commission noted that Ms. Carter, who had acted under a mistaken belief concerning her duties as broker-in-charge, had cooperated with the Commission's investigation.

BEN F. COLEMAN (Asheboro) - By Consent, the Commission reprimanded Mr. Coleman effective February 26, 1996. The Commission found that Mr. Coleman, while licensed as a real estate broker and acting as a developer of a subdivision, had failed to deliver the subdivision street disclosure statement required by statute to be delivered to purchasers of real property.

BARRY E. DOTSON (Fayetteville) - The Commission accepted the voluntary surrender of Mr. Dotson's broker license for three years effective February 1, 1996. The Commission dismissed without prejudice charges that Mr. Dotson had violated the Real Estate License Law and rules of the Commission in the conduct of a licensed real estate

brokerage business. Mr. Dotson disputed allegations of misconduct but did not wish to contest the allegations.

CHARLES R. DUNCAN, III (Raleigh) - By Consent, the Commission suspended Mr. Duncan's broker license for 60 days effective April 1, 1996. The Commission then stayed the suspension for a probationary term of 60 days. The Commission found that Mr. Duncan, as broker-in-charge of a licensed real estate salesman, had failed to adequately supervise a real estate transaction to assure that a second sales contract for a particular property contained a contingency concerning an existing contract or to assure that the sellers did not enter into the second contract to sell the property to other buyers while the first contract was in full force and effect. The Commission further found that Mr. Duncan had failed to assure that the buyers' \$500 earnest money deposit was deposited and maintained in the firm's escrow account.

JAMES M. GERAGHTY (Kitty Hawk) - By Consent, the Commission suspended Mr. Geraghty's broker license for six months effective March 1, 1996. The Commission then stayed the suspension. The Commission found that Mr. Geraghty, in setting up a new business, had neglected to obtain the proper occupational licenses. The Commission further found that after the business was operating, Mr. Geraghty had advertised for, but did not hire, an unlicensed person for a position requiring licensure.

ROBERT LLOYD GOULD (Asheville) - By Consent, the Commission revoked Mr. Gould's salesman license effective April 1, 1996. The Commission found that Mr. Gould had made a false statement on his application for real estate licensure; namely, Mr. Gould had answered "no" to the application question, "Have you ever...had a real estate license...suspended, revoked, or surrendered...?", when, in fact, his Texas real estate broker license had been revoked.



**WILLIAM E. HOBBS, JR. (Lake Waccamaw)** - By Consent, the Commission suspended Mr. Hobbs' broker license for six months effective March 1, 1996. The Commission then stayed the suspension for a probationary term of six months. The Commission found that Mr. Hobbs, as an agent for the seller of a lot in a subdivision, had failed to inform the buyer of plans by Mr. Hobbs and others to form a voluntary property owners' organization which proposed to exert control over access to a neighboring lake. The Commission further found that Mr. Hobbs had not provided the buyer with a closing statement showing the disposition of his purchase money. The Commission noted that Mr. Hobbs and others did form an owners' association but that the association did not interfere with public access to the lake.

**CHARLES J. HOFFMAN (Raleigh)** - By Consent, the Commission suspended Mr. Hoffman's salesman license for 60 days effective April 1, 1996. The Commission then stayed the suspension for a probationary term of 60 days. The Commission found that Mr. Hoffman, as listing agent for a residential property, had failed to assure that a second sales contract for a particular property contained a contingency concerning an existing contract or to properly advise his seller-clients not to enter into the second contract to sell the property to other buyers while the first contract was in full force and effect.

**DONALD R. HUTCHENS (Ramseur)** - By Consent, the Commission revoked Mr. Hutchens' broker license effective December 7, 1995. The Commission found that Mr. Hutchens, while acting as a broker in two real estate transactions, had obtained money from two buyers by representing that the funds were necessary to complete their transactions. The Commission further found that Mr. Hutchens had failed to deposit and maintain those monies in a trust or escrow account, had instead converted the monies to his own use and thereafter had failed to properly remit or

account for the monies. Mr. Hutchens neither admitted nor denied any misconduct.

**ROBERT L. OWEN (Myrtle Beach, S.C.)** - By Consent, the Commission reprimanded Mr. Owen effective February 12, 1996. The Commission found that Mr. Owen, while broker-in-charge of a rental operation, had caused two property owners to receive fewer tenants and therefore less rent after the owners gave notice to terminate their respective management agreements.

**OYSTER BAY REALTY & CONSTRUCTION, INC. (Kitty Hawk)** - By Consent, the Commission suspended the corporate real estate broker license of Oyster Bay Realty & Construction, Inc. for six months effective March 1, 1996. The Commission then stayed the suspension. The Commission found that Oyster Bay Realty & Construction, Inc. had engaged in real estate brokerage and general contracting before obtaining the appropriate licenses. The Commission further found that Oyster Bay Realty & Construction, Inc. had advertised for, but did not hire, an unlicensed person for a position requiring licensure.

**CHARLES F. PETERSON, II (Charlotte)** - By Consent, the Commission reprimanded Mr. Peterson effective February 15, 1996. The Commission found that Mr. Peterson, acting through corporations he owned and/or controlled to buy properties and resell them at a profit to a particular buyer, had failed to provide the buyer with adequate documentation and explanation of the absence of an agency relationship between them.

**DAVID T. POWELL (New Bern)** - By Consent, the Commission revoked Mr. Powell's broker license effective December 8, 1995. The Commission found that Mr. Powell had failed to adequately supervise the salesmen for whom he was broker-in-charge and that some of the salesmen had misappropriated trust funds and engaged in unlawful conduct. Mr. Powell neither admitted nor denied any misconduct.

**CLARENCE VIRGIL ROBERTS (Supply)** - The Commission revoked Mr. Roberts' broker license effective March 1, 1996. The Commission found that Mr. Roberts, acting through a corporation selling its own residential building lots, had made false promises and willful misrepresentations to a buyer and had failed to account for or remit funds received from the buyer.

**DAVID K. ROWAN (Blowing Rock)** - By Consent, the Commission revoked Mr. Rowan's broker license effective January 19, 1996. The Commission found that Mr. Rowan, between July 1 and October 9, 1995, had engaged in real estate brokerage while his license was expired or on inactive status. Mr. Rowan has not made available his trust account records for inspection by the Commission.

**SANDS PROPERTIES, INC. (Myrtle Beach, S.C.)** - By Consent, the Commission suspended the corporate real estate broker license of Sands Properties, Inc. for six months effective February 12, 1996. The Commission then stayed the suspension for a probationary term of one year. The Commission found that Sands Properties, Inc., while engaging in property management, had deposited occupancy tax receipts from short term rentals into its general operating accounts in violation of the Real Estate License Law. The Commission noted that Sands Properties, Inc. remitted the tax payments to the State as required by law, with no loss resulting from this practice.

**GLEN A. SIMMONS (Charlotte)** - By Consent, the Commission revoked Mr. Simmons' broker license effective March 1, 1996. The Commission found that Mr. Simmons, while acting as broker-property manager for owners of rental property, had failed to account for or remit all funds he received on his clients' behalf and on numerous occasions remitted rent proceeds to his owner-clients with checks which were returned by the bank due to insufficient funds, and that he owed his clients in excess of \$34,000 in

*(continued on page 8)*

## Disciplinary action

(continued from page 7)

rents and deposits collected which he had not paid over.

**JAMES R. STOUT (Asheboro)** - By Consent, the Commission reprimanded Mr. Stout effective March 20, 1996. The Commission found that Mr. Stout, while licensed as a real estate broker and acting as a developer of a subdivision, had failed to deliver the subdivision street disclosure statement required by statute to be delivered to purchasers of real property.

**U.S. PROPERTY MANAGEMENT, INC. (Fayetteville)** - The Commission accepted the voluntary surrender of U.S. Property Management, Inc.'s corporate real estate broker license for five years effective February 1, 1996. The Commission dismissed without prejudice charges that U.S. Property Management, Inc. had violated the Real Estate License Law and rules of the Commission in the conduct of its brokerage business.

**LEONARD R. WATTS (Midland)** - By Consent, the Commission reprimanded Mr. Watts effective February 15, 1996. The Commission found that Mr. Watts and his employees, while buying and selling property for his own corporations, had failed to sufficiently document

in a transaction that no agency relationship existed. Mr. Watts had assumed that the sophisticated investor with whom he was dealing had known that Mr. Watts and his employees and corporations always transacted business for their own account and not as an agent, whether buying from or selling to the investor. The Commission noted that in the transactions about which the investor had complained, Mr. Watts had not charged the investor any commissions; however, a more adequate documentation and explanation of the buyer and seller relationship could have eliminated any question of an agency relationship.

**RICHARD S. WILKINSON (Raleigh)** - By Consent, the Commission reprimanded Mr. Wilkinson effective March 11, 1996. The Commission found that Mr. Wilkinson, in advertisements, had overstated by approximately 12% the square footage of a residential property which he had listed for sale.

**ODELL DECAROL WILLIAMSON (Ocean Isle Beach)** - By Consent, the Commission suspended Mr. Williamson's broker license for two years effective March 1, 1996. The Commission then stayed the suspension for a probationary term of three years. The Commission found that Mr. Williamson, in 1988, had

pled guilty to and been convicted of drug related offenses which occurred in 1984.

**WRIGHT PROPERTIES, INC. (Jacksonville)** - By Consent, the Commission revoked Wright Properties, Inc.'s corporate real estate broker license effective March 1, 1996. The Commission found that Wright Properties, Inc. - as closing agent in a real estate transaction - had failed to deposit into its escrow account all funds it had received from the buyer to close the transaction, had failed to prepare and deliver to the parties in the transaction an accurate closing statement, and had failed to fulfill its promise to purchase a home warranty for the buyer even though it had received funds for this purpose from the buyer. The Commission further found that Wright Properties, Inc. had failed to account for or remit all funds it had received on behalf of certain property management clients and that as of April 1995, its property management escrow account was short in excess of \$13,000. Wright Properties, Inc. could not produce complete records of the use of its trust account or of its handling of the funds of its clients and customers.



78,500 copies of this public document were printed at a cost of \$.094 per copy.

### *On the inside...*

**"Commission" with a  
Capital "C"**

**New Records Specialist**

**Staff Update**

**Prelicensing  
"Character Review"**

**Smoke Detectors  
required in residential  
rental properties**

**Disciplinary action**

*...and more.*

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