



NORTH CAROLINA
REAL ESTATE LICENSING BOARD

Real Estate Bulletin

VOLUME 2

SUMMER QUARTER 1971

NUMBER 2

Fifth Annual

INDUSTRIAL DEVELOPMENT SEMINAR

WHERE: Holiday Inn West
Winston-Salem, North Carolina

FEE: \$30 per person includes all sessions,
coffee breaks, social hour, two luncheons

WHEN: Thursday & Friday,
September 9 & 10, 1971

REGISTRATION: Write to N. C. Ass'n.
of Realtors, P. O. Box 6306,
Greensboro, N. C. 27405.

— CO-SPONSORS —

N. C. Association of Realtors, Inc.

N. C. Department of Conservation and Development

PROGRAM OF EVENTS

THURSDAY, SEPTEMBER 9, 1971

Noon:

Luncheon—12 Noon (included in registration fee)
Special Guest Speaker: HON. H. PATRICK TAYLOR, JR., Lt. Governor, State of North Carolina

Afternoon:

Topic: "Problems of Utilities with Industrial Power Rates"
Speaker: SHERWOOD SMITH, Raleigh, Sr. Vice President and General Counsel, Carolina Power & Light Co.
Topic: "The Research Triangle Story"
Speaker: NED E. HUFFMAN, Raleigh, Executive Vice President, Research Triangle Park
Topic: "Long Range Zoning—What Is It?"
Speaker: WILLIAM McINTIRE, Charlotte, Planning Director, Charlotte-Mecklenburg Planning Commission
Topic: "Industrial Development Along Interstate Highways"
Speaker: Realtor HORACE M. BARNES, Lumberton

Evening:

SOCIAL HOUR (Included in Fee)

FRIDAY, SEPTEMBER 10, 1971

Morning

Topic: "Early Morning Idea Exchange"—Speakers from previous day will be available for exchange of ideas and information.
Topic: "Orderly Development In The '70s"
Speaker: TOM BROUGHTON, Assistant Administrator, Department of Conservation and Development
Topic: "Recreational Land Development Program"
Speaker: CHUCK WEDEMEYER, Commercial Investment Consultant, Department of Conservation and Development
Topic: "Community Development"
Speaker: ALBERT H. CALLOWAY, Chief of Community and Industrial Services, Department of Conservation and Development
Topic: "Tax Aspects of Limited Partnerships for Industrial Projects"
Speaker: Realtor McKIBBEN LANE, Greensboro

Noon:

"BUFFET LUNCHEON"

Afternoon:

"Bus Tour of Regional Airport Industrial Sites and Jos. Schlitz Brewing Co."

REAL ESTATE BULLETIN

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

NORTH CAROLINA REAL ESTATE LICENSING BOARD

813 BB&T Bldg.
Raleigh, North Carolina 27602

Robert W. Scott, Governor

BOARD MEMBERS

John W. Olive, Chm. Mount Airy
J. Bart Hall, V. Chm. Belmont
A. P. Carlton Greensboro
J. Toliver Davis Forest City
Brantley Poole Raleigh
J. F. Schweidler Sec'y.-Treas.
Blanton Little Admin. Asst.

— CHAIRMAN'S COMMENTS —

One of the main problems developing after the filing of formal complaints with the Licensing Board stems from the failure of brokers to keep proper escrow accounts. The North Carolina Real Estate Licensing Law prohibits the commingling of funds and requires that an escrow account be maintained. All funds received in a real estate transaction where the broker is a temporary custodian of the funds of others must be deposited in an escrow account.

The Board has the authority to examine the records of a broker when the Board determines that such records are pertinent to the conduct of the investigation of any specific complaint against a licensee.

Proper record keeping is mandatory in any profession. A high standard of professionalism should be the goal of every licensed broker and salesman. The strict accounting for trust funds in an escrow account is of major importance for the protection of the licensee and all other parties in a real estate transaction.

My term as chairman of the Board expires on July 31, 1971 and I am being succeeded by my fellow member, Brantley Poole of Raleigh. Many of you are personally acquainted with Brantley. I am confident he will do an exemplary job during the coming year.

J. W. Olive

POOLE ELECTED BOARD CHAIRMAN

Brantley Poole, Raleigh, was elected to serve as Chairman of the Licensing Board for the year beginning August 1, 1971.

John W. Olive, Mount Airy, immediate past Chairman, was elected to serve as Vice Chairman.

OLDEST ACTIVE BROKER



Charles A. Pope

Mr. Charles A. Pope, who celebrated his 96th birthday on June 10, 1971, may be the oldest active real estate broker in North Carolina. His three brothers, G. M. Pope, age 93, W. A. Pope, age 89, and M. B. Pope, age 86, joined him for the occasion.

Born in 1875 in a section of Orange County which later became Durham County, he has lived most of his life in Durham County, and he has been engaged in the real estate business there since 1928.

Mr. Pope remembers when Durham was a small town of about 2,000 people, with no paved streets. He drove his own automobile until he was 91 years of age.

This distinguished looking white haired gentleman considers honesty the most important factor in an individual life. His enthusiasm for the real estate business continues unabated and he is looking forward to the future.

One of Mr. Pope's sons, Charles A. Pope, Jr. is a licensed real estate broker in Durham.

LICENSE STATISTICS

Licensees as of June 30, 1971		
Brokers		8868
Salesmen		2771
Total		11,639
Licenses Renewed July 1, 1971		
Brokers		8305
Salesmen		2210
		10,515

EXAMINATION — April 1971		
Salesmen	Passed 113	Failed 35
EXAMINATION — May 1971		
Brokers	Passed 281	Failed 171
Salesmen	73	43
EXAMINATION — June 1971		
Salesmen	Passed 70	Failed 40

LICENSE RENEWAL COMMENTS

From the results of the license renewal period which concluded on June 30th, it appears that many licensees place a pretty low value on their licenses.

A total of 1,124 licenses were not renewed by June 30th and expired. A number of these have since been reinstated. It's surprising, however, to note how many licensees complained about the \$5.00 late filing fee. Perhaps they should be required to take another examination as is required in some of the other states. More serious is the fact that persons who continue in business after their licenses expire are not only not entitled to any compensation but are also subject to fine or imprisonment for operating without a license.

A total of 375 renewals were improperly filed and were returned for correction. Either the instructions for filing are unclear or the applicant fails to read them. We feel the latter is the case.

A total of 1,527 address changes were made during the renewal period. Most of these could be eliminated if licensees would notify the Board office of their address changes during the year. (We noticed that the Minnesota Real Estate Commission recently suspended the license of a broker who failed to notify them of an address change.)

Many licensees confused their privilege license renewal with their real estate license renewal. Privilege licenses are renewed with the North Carolina Department of Revenue and not the Real Estate Licensing Board.

To the many licensees who filed early and in proper form, we thank you; to the others, we hope you cooperate better next year.

WHEN A REALTOR IS LIKE A DYING FROG

For generations oldsters have kept children entranced with stories of adventure, nature and animals. One of those stories, passed down through generations, concerns the frog and hot water. The fable goes like this:

If you catch a frog and put him in a pan of hot water, he will jump out. But if you take that same frog and place him gently in a pan of cold water over a flame, the frog will sit quietly while the water heats until he is cooked alive.

This fable is often used as a parable to illustrate how we as human beings act like the frog.

Perhaps it is an appropriate illustration of what is happening in the real estate profession.

I have editorialized before on the poor image that some Realtors have with the public. I will continue to do so.

In the resounding success of the past two decades, I think we have been in real estate a bit like the frog. We have failed to recognize that the public is heating the water around us and that soon, if we do not awaken, that water can come to a boiling point.

Example: I had lunch the other day with a very fine young man who had recently opened his own firm after working with another broker for several years. He is successful but he confesses that his major problem of overcoming an image many of his clients have of suspecting the real estate broker is not completely open in his client-broker relationship. "I'm afraid we're fast approaching the used-car dealer image with many investors," he said.

Exploring this further, I came back to my office and called several Realtors, both local and elsewhere, telling them I planned to write an editorial on this subject.

The summarized opinion of those brokers was this: Harm has been done to this profession by too many so-called real estate brokers who are developers and investors FIRST and agents for their clients second.

Ethics in our profession during these years of mushrooming expansion has always been an adjective for the other guy.

There are adequate regulations governing the members of every Real Estate Board to give our profession a better public image. The problem has been that too often the Realtors

who should take the lead in registering complaints have been too busy to even bother. And, unfortunately, some have also been too busy themselves doing exactly what the "un-ethical" Realtor is guilty of that they don't dare complain.

Before the Real Estate profession deteriorates further in the eyes of the public — before the warm water gets unbearably hot — it is time the big frogs in the real estate pan make some noise and start jumping! As the old saying goes: "If we don't clean our own house, somebody else will."

Certainly, in this ever-increasing competition for the investment dollar, in this era when real estate is losing some of its glamour as an investment, the public on whom all real estate people depend can be a very harsh critic—Reprint of editorial in SOUTHERN REALTY NEWS by Denton Harris.

NEW MANUAL

The Licensing Board is pleased to announce that Dr. James A. Webster, Jr., Professor of Law, Wake Forest University Law School, has been engaged to prepare a real estate manual which will be published by the Board.

The Board considers Dr. Webster eminently qualified to write the manual. He received an LLB degree from Wake Forest Law School and SJD degree from Harvard Law School. For the past 18 years he has been a member of the Wake Forest Law School faculty, having taught Real Property, Agency, Partnerships, Domestic Relations, Legal Ethics, Mortgages and Sales. He is a former member of the North Carolina General Statutes Commission and presently serves as Chairman of the Drafting Subcommittee on Lien Laws in North Carolina. He has also served as a consultant to the North Carolina Department of Revenue and the North Carolina Department of Insurance.

ADMINISTRATIVE PROCEDURE ACT

(Concluded)

§ 150-32. Declaratory judgment on validity of rules.—The validity of any rule adopted by a board may be determined upon petition for a declaratory judgment thereon addressed to the Superior Court of Wake County when it appears that the rule, or its threatened application, interferes with or impairs, or threatens to interfere with or impair, the legal rights or privileges of the petitioner. The court shall declare the rule invalid if it finds that the rule violates or conflicts with constitutional or statutory provisions or exceeds the statutory authority of the board.

§ 150-33. Judicial review procedure exclusive.—The provisions of this chapter providing a uniform method of judicial review of board actions of the kind specified in § 150-10 shall constitute an exclusive method of court review in such cases and shall be in lieu of any other review procedure available under statute or otherwise. Nothing herein, however, shall be construed to bar the use of any available remedies to test the legality of any type of board action not specified in § 150-10.

FROM THE MAIL BAG

N. C. Real Estate Commission
Raleigh, North Carolina

I don't know whether you guys have any power to investigate anybody, and if, having discovered something wrong and in violation of the law, have any power to punish. Matter of fact, you may be interested only in sitting around in easy chairs and drawing your pay, in which event this will be lost time on my part. I have marked an ad which was in the Miami Herald. For some reason I am inclined to believe that the man who is advertising all this property does not own same himself, and that he is acting as an agent. I feel sure that none of your investigators will follow the advice of anyone not connected the law enforcement, but I can suggest a way to get this man to commit himself. Why doesn't one of your investigators address a letter to this fellow, on a plain sheet of paper (no, stupid, not on the letterhead of the Real Estate Board, and present himself as a prospective buyer and furnish an address in North Carolina, then this man may write to you and give you the scoop. I am not in real estate myself, but I know some fellow who are, and they pay for licenses and all kinds of schooling and then chiselers see to it that the real estate agent never collects any commission, if the chiseler can avoid it.—I. M. Florida

RECIPROCITY

North Carolina exchanges reciprocal licensing privileges with a number of other states. This does not mean, however, that a North Carolina broker or salesman may transact business in these states on the basis of his North Carolina license alone. He must also obtain a license in the other state by complying with all of their licensing requirements with the exception of an examination, which may be waived.

Because of differences in the licensing requirements in the various states, reciprocal licensing has posed some problems. A newly-enacted amendment to the North Carolina Real Estate Licensing Law should do much to place North Carolina in a more equitable position. This amendment permits the North Carolina Board to require applicants from other states to meet the same terms and conditions for licensing that North Carolina applicants must meet in qualifying for license in such other state.

Reciprocity is a privilege and not a matter of right. It depends on mutual respect and cooperation between real estate commissions and licensees alike in order to operate in a fair and reasonable manner.

Listed below are the states which currently exchange reciprocity with North Carolina. Interested persons may write directly to the real estate commissions of these states for information.

Alaska Real Estate Commission
Pouch D
Juneau, Alaska 99801

Arkansas Real Estate Commission
1311 W. Second St.
Little Rock, Arkansas 72201

Connecticut Real Estate Commission
90 Washington St.
Hartford, Connecticut 06115

Delaware Real Estate Commission
Old State House
Dover, Delaware 19901

District of Columbia Real
Estate Commission
North Potomac Bldg.
614 "H" St., N.W.
Washington, D. C. 20001

Georgia Real Estate Commission
166 Pryor St., S. W.
Atlanta, Georgia 30303

Illinois Real Estate Commission
Capitol Bldg.
Springfield, Illinois 62704

Indiana Real Estate Commission
1022 State Office Bldg.
Indianapolis, Indiana 46204

Maryland Real Estate Commission
901-B State Office Bldg.
301 W. Preston St.
Baltimore, Maryland 21201

New Hampshire Real Estate
Commission
State House Annex
Concord, New Hampshire 03301

New Jersey Real Estate Commission
1100 Raymond Blvd.
Newark, New Jersey 07102

South Carolina Real Estate Board
P. O. Box 11396
Columbia, S. C. 29211

Tennessee Real Estate Commission
215 Stahlman Bldg.
Nashville, Tennessee 37201

Virginia Real Estate Commission
Ninth Street Office Bldg.
Rm. 432, P. O. Box 1-X
Richmond, Virginia 23202

West Virginia Real Estate
Commission
801 Nelson Bldg.
Charleston, West Virginia 25301

"INSUFFICIENT FUNDS"

During the license renewal period which was just concluded, more "insufficient funds" checks were returned to the Licensing Board than ever before.

There are certainly grave doubts as to the ability of a licensee to properly handle his client's funds if he cannot manage his own.

Under Rule 2 of the Licensing Board's Rules and Regulations, returned checks are considered cause for license denial, suspension or revocation. Unless a check has been returned because of an error by the bank, the guilty licensee may expect disciplinary action by the Board.

EMPLOYMENT SECURITY ACT CHANGED

An amendment to the North Carolina Employment Security Law, proposed by the North Carolina Association of Realtors and adopted by the 1971 General Assembly exempts the services of real estate agents and salesmen from employment security tax liability, **if they are compensated solely by commission.**

The amendment to Chapter 96 of the General Statutes provides that the terms "employment" shall not include "services performed by an individual for an employing unit as a real estate agent or real estate salesman, provided, that such real estate agent or salesman is compensated solely by way of commission."

NORTH CAROLINA
REAL ESTATE LICENSING BOARD
P. O. BOX 266
RALEIGH, N. C. 27602

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