



Beginning April 1, 2009

## Brokers-in-Charge: Verify Agent License Renewals Online

If you are broker-in-charge of a real estate office, you should before June 30 (the deadline for renewing real estate licenses) verify that all licensees under your supervision have renewed between May 15 and June 30. You may do so online at the Commission's website, [www.ncrec.state.nc.us](http://www.ncrec.state.nc.us).

The "BIC Only" tab on the website gives you access to a variety of current data on brokers.

To view and print the information, click on the tab and enter their license number and PIN (the last four digits of their Social Security number unless they have changed it).

You will find:

- A listing of all licensees which, according to Commission records, are affiliated with you or under your supervision.
- The "level" of their licenses - "PB" (Provisional Broker), "PB9" (Provisional Broker who must complete postlicensing courses by April 1, 2009 when the level will cease to be applicable), or "B" (Broker).
- Their license renewal date.
- Their continuing education credits (if needed).

If any of your agents have not renewed their licenses, you may renew them.

This is important because you, as broker-in-charge, are subject to disciplinary action if a broker at your office continues to list, sell, etc. real estate after his or her license is expired.

See Auditor's Corner  
**"Inspections by Letter"**  
Page 8

## Deadlines Ahead for Provisional Brokers To Complete Postlicensing Education

Look at your pocket renewal card. If it has a "PB9" designation (salesperson license converted to provisional broker April 1, 2006) and you do not complete all ninety hours of your postlicensing education (three courses) by April 1, 2009, your license will be cancelled.

If it has a "PB" designation (licensed as provisional broker on or after April 1, 2006), you must complete at least one (thirty-hour) postlicensing course each year to keep your license active and all three courses within three years to avoid cancellation.

For example, if your license was issued on August 1, 2007 (look at your license certificate), to keep it active you must have completed your first prelicensing course by August 1, 2008, your

second by August 1, 2009, and the third by August 1, 2010.

If you do not complete all three courses by August 1, 2010, your license will be cancelled.

To avoid inactivation and cancellation of your license, go to the Commission's website, [www.ncrec.state.nc.us](http://www.ncrec.state.nc.us) for information and a list of schools approved by the Commission to offer postlicensing courses.

## Commission Proposes Rule Changes

The Real Estate Commission proposes to change its rules relating to general brokerage, examinations, licensing and postlicensing education. If approved, they would become effective July 1, 2009.

A summary of the significant changes follows:

### General Brokerage

- Require provisional brokers to have the consent of their broker-in-charge in order to advertise any real estate brokerage service, and to include in any advertisement the name of the broker-in-charge or firm with which they are associated.

- Exempt from the broker-in-charge requirement sole proprietor brokers who hold tenant security deposits only in a trust account for properties they personally own.

- Revise the requirements for being reinstated as a broker-in-charge after losing broker-in-charge eligibility.

- Remove the requirement that loan commitment dates be shown in offer to purchase and sales contracts.

### Examinations

- Authorize the Commission to discipline brokers who cheated on or misused the licensing examination where the cheating or misuse did not come to the attention of the Commission until after the person was licensed.

### Licensing

- Eliminate language in connection with firm activation referring to a "form provided by the Commission" when the Commission does not provide or require such a form.

- Address the requirements for reinstating licenses "cancelled" when provisional brokers fail to complete their postlicensing education.

- Clarify that the license issuance date will not be changed for licenses reinstated within six months following

(See **Proposed Rules** page 3)

## 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

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Beverly E. Perdue, Governor

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## People

**Melissa A. Clark** has assumed the position of Legal Assistant in the Legal Services Division. Prior to joining the Commission, she was associated with a civil engineering firm as an administrative assistant and was a manager of the After School Matters program of the Chicago Public School System.



To request a speaker from the Commission, please submit the "Request for Program Presenter" form available on the Commission's website, [www.ncrec.state.nc.us](http://www.ncrec.state.nc.us).

## Appearances

**Thomas R. Miller**, Director of Legal Services and Special Deputy Attorney General, participated in a panel discussion at the North Carolina Professional Appraiser's Coalition Conference at Cary.

**Janet B. Thoren**, Chief Deputy Legal Counsel, spoke to the North Carolina Conference of District Attorneys at Kitty Hawk on mortgage loan fraud

**Peter C. Evans**, former Information Officer, answered listener questions on "Real Estate Today" at the WTKF Studio in Morehead City; and spoke to the Asheboro-Randolph Board of REALTORS® on calculating and reporting square footage and to the Albemarle Area Association of REALTORS® in Elizabeth City.

## Rudd, Watts Reappointed

Former Governor Michael F. Easley has reappointed Matthew J. "Rick" Watts of Fayetteville and S. R. "Buddy" Rudd, Jr., of Oak Island to new three-year terms on the Commission.

Watts, twice elected Commission Chairman in 2004 and 2005, is Senior Sales Executive with Coldwell Banker United Realty in Fayetteville and was first appointed in 2002.

Rudd is a principal with Margaret Rudd & Associates, Inc., a real estate brokerage firm with offices in Oak Island and Southport, and was first appointed to the Commission in 2007.



February 11

March 11

Duck

April 15

May 13

*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.*

## Proposed Rules

*(Continued from page one)*

their expiration.

- Provide that a broker whose license has been suspended by the Commission shall have sixty days from the end of the period of license suspension to pay any license fees that may have accrued during the period of suspension, and that failure to pay within that period will result in loss of licensure.

- Require brokers and license appli-

cants to report to the Commission any "notarial commission sanctions" they have received.

### Postlicensing Education

- Permit the Commission to deny or withdraw postlicensing course credit to any broker who attends more than twenty-one classroom hours of postlicensing instruction in any given seven-day period.

A public hearing for comments on the proposed rule changes will be held at 9:00 a.m. February 11, 2009 in the Conference Room of the Commission's office.

## COURSE SCHEDULES

This schedule provides locations, dates, and times for the courses indicated through June, 2009.

Register online at the Commission's website, [www.ncrec.state.nc.us](http://www.ncrec.state.nc.us).

### Broker-in-Charge Course (Two-days. Day one, 1-5 p.m.; Day two, 8:30-5:30 p.m.)

Asheville	February 10, 11 May 12, 13	Holiday Inn East/Blue Ridge Parkway
Banner Elk	April 1, 2	Best Western Mountain Lodge
Charlotte	March 4, 5 April 14, 15 May 6, 7 June 8, 9	Holiday Inn Airport
Greensboro	February 23, 24 May 19, 20	Clarion Hotel (formerly the Radisson)
Kill Devil Hills	March 10, 11	Ramada Plaza Resort
Raleigh	February 18, 19 March 16, 17 May 4, 5 June 2, 3	McKimmon Conference Center
Wilmington	April 6, 7	Coastline Inn & Convention Center

### Basic Trust Account Procedures

Charlotte	May 7, 2009, 9 a.m. - 1 p.m.	Holiday Inn Airport
Raleigh	June 1, 2009, 1 - 5 p.m.	McKimmon Conference Center
Wilmington	April 7, 2009, 9 a.m. - 1 p.m.	Coastline Inn & Convention Center

### Trust Account Procedures for Resort Property Managers

Kill Devil Hills	March 11, 2009, 9 a.m. - 1 p.m.	Ramada Plaza Resort
Boone	April 28, 2009, 9 a.m. - 1 p.m.	Broyhill Inn & Appalachian Conference Center

Confirm dates and times at the Commission website.



Real Estate Commission members join with recipients of the "Investigator of the Year" award from the Association of Real Estate License Law Officials (ARELLO). Seated (l. to r.) are Tanner, Caddell, Vice Chair Marsha H. Jordan, Vesper, Chairman Melvin L. "Skip" Alston, Boger, Gray, and Dowd. Standing (l. to r.) are Jeffery J. Malarney, Benjamin Cone, III, Joe L. Hodge, Jr., S. R. "Buddy" Rudd, Jr., Audits and Investigations Division Director Emmet R. Wood, and Wanda J. Proffitt.

## Vesper Recipient of Top ARELLO Award

Pamela M. Vesper, Auditor/Investigator in the Real Estate Commission's Audits and Investigations Division, has been named "Investigator of the Year" by the Association of Real Estate License Law Officials (ARELLO).

Vesper joined the Commission in 2000 as Associate Legal Counsel in the Legal Services Division and assumed the position of Auditor/Investigator in 2006. She holds certification from the Council on Licensure, Enforcement, and Regulation (CLEAR).

Three current staff members have also received ARELLO's "Investigator of the Year" award: Chief Auditor/Investigator Michael B. Gray, (2004), Senior Auditor/Investigator, Training

Officer Gary R. Caddell, (2000), and Senior Auditor/Investigator Jennifer K. Boger (2006), with Senior Auditor/Investigator William F. Dowd being named runner-up in 2003. Former staff members have also been recognized: Charles S. Carter received the award in 1991 and Robin F. Tanner in 2002; James K. Clinard and Brian G. Thomas were runners-up in 1992 and 1999, respectively.

ARELLO is an international organization comprised of policy makers and regulators dedicated to promoting better administration and enforcement of real estate license and regulatory laws by its members.

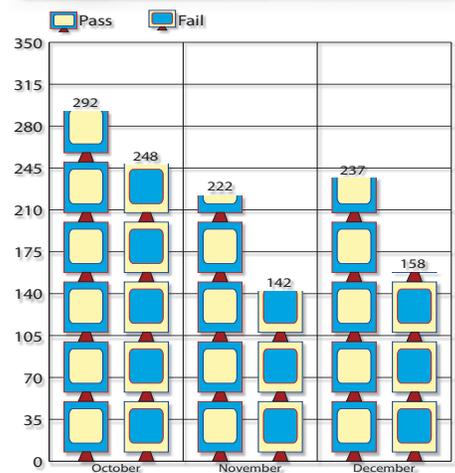
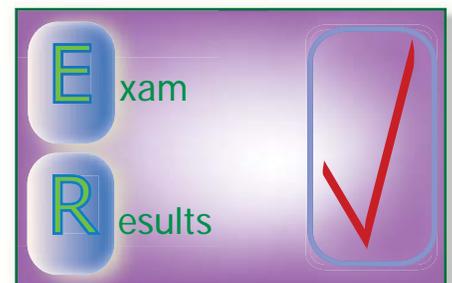


Under a new law effective January 1, 2009 all irrigation contractors doing business in the state are required to be licensed prior to June 29, 2009. The North Carolina Irrigation Contractors Licensing Board is currently being established to administer the licensing program and anticipates releasing contact and website information by March 15.

## Deadline Extensions Available To Licensees On Military Duty

Consistent with North Carolina General Statutes 93B-15 and a September 9, 2008 Resolution of the Governor and Council of State, certain military personnel (including Reservists and National Guard) and persons affected by a presidentially declared disaster who hold real estate licenses are granted extensions of time to pay their license fees and complete their educational requirements.

For details, interested persons should call the Real Estate Commission's Information Services Section, (919) 875-3700, Ext. 772.



dual agent). Or you may agree to let them represent only the seller (seller's agent or subagent). Some agents will offer you a choice of these services. Others may not.

**Buyer's Agent**

*Duties to Buyer:* If the real estate firm and its agents represent you, they must • promote your best interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have agreed (either orally or in writing) for the firm and its agents to be your buyer's agent, they may not give

*Continued on the back*

**FOR BUYER/SELLER**

Date \_\_\_\_\_

Firm Name \_\_\_\_\_

Agent Name \_\_\_\_\_ License Number \_\_\_\_\_

**Disclosure of Seller Subagency (Complete, if applicable)**

When showing you property and assisting you in the purchase of a property, the above agent and firm will represent the SELLER. For more information, see "Seller's Agent Working with a Buyer" in the brochure.

Buyer's Initials Acknowledging Disclosure: \_\_\_\_\_

**WORKING WITH REAL ESTATE AGENTS**

Agents must retain this acknowledgment for their files.

**This is not a contract**

By signing, I acknowledge that the agent named below furnished a copy of this brochure and reviewed it with me.

Buyer or Seller Name (Print or Type) \_\_\_\_\_

Buyer or Seller Signature \_\_\_\_\_

Buyer or Seller Name (Print or Type) \_\_\_\_\_

Buyer or Seller Signature \_\_\_\_\_

Date \_\_\_\_\_

Firm Name \_\_\_\_\_

Agent Name \_\_\_\_\_ License Number \_\_\_\_\_

**Disclosure of Seller Subagency (Complete, if applicable)**

When showing you property and assisting you in the purchase of a property, the above agent and firm will represent the SELLER. For more information, see "Seller's Agent Working with a Buyer" in the brochure.

Buyer's Initials Acknowledging Disclosure: \_\_\_\_\_

**Working With Real Estate Agents Acknowledgment Revised**

The Commission has revised the *Working With Real Estate Agents* brochure to easily and conveniently provide buyers and sellers with information concerning the agent who furnished and reviewed with them a copy of the brochure and to disclose whether the agent will be representing the seller.

A new section titled, "FOR BUYER/SELLER", has been added on the panel to the left of the acknowledgment card for agents to enter their name, firm name, license number and date.

This section remains as part of the brochure that is left with the buyer or seller when the agent detaches and retains for filing the acknowledgment card itself with its identification of the buyer or seller, the agent and the buyer's initials if disclosure of seller subagency is applicable.

*Working With Real Estate Agents*, first published in May 2001, must be given to buyers and sellers at first substantial contact to disclose agency relationships.

It is projected that the newly revised brochure will become available in late February or early March when existing inventory is depleted.

Agents may continue to use any *Working With Real Estate Agents* brochure, regardless of the date on the back panel.

**CONTINUE TO USE EXISTING SUPPLIES OF WORKING WITH REAL ESTATE AGENTS. THERE IS NO NEED TO DISCARD OLDER VERSIONS OF THE BROCHURE.**

**Agente del comprador**

*Deberes para con el comprador:* Si la agencia de bienes raíces y sus agentes lo representan, deben promover sus intereses, ser leales a usted, seguir sus instrucciones legales, darle toda la información pertinente que pueda influir en sus decisiones, ser razonablemente hábiles, cuidadosos y diligentes y rendir cuenta de todo el dinero que manejen por usted. Una vez que usted haya aceptado (de palabra o por escrito) que sean sus agentes compradores, la empresa y sus agentes no pueden dar, sin su permiso, información confidencial sobre usted a vendedores o sus agentes siempre que lo estén representando a usted. Pero **mientras no haya establecido el acuerdo con su agente comprador, evite decirle lo que no desee que el vendedor sepa.**

*Continúa*

**PARA COMPRADOR/ VENDEDOR**

Fecha \_\_\_\_\_

Nombre de la empresa \_\_\_\_\_

Nombre del agente \_\_\_\_\_ Número de licencia \_\_\_\_\_

**Revelación de subagencia de vendedor (Completa, si aplicable)**

Cuando le muestren una propiedad y colaboren con usted para comprarla, el agente y la empresa mencionados arriba representan al VENDEDOR. Para obtener más información, consulte la sección «Agente del vendedor trabajando con el comprador» en este folleto.

Iniciales del comprador reconociendo la revelación de la información: \_\_\_\_\_

**TRATO CON AGENTES DE BIENES RAÍCES**

Los agentes deben retener esta sección en sus archivos.

**Este no es un contrato**

Con firmar este documento, reconozco que el agente mencionado más abajo me dio una copia de este folleto y la revisé conmigo.

Nombre del comprador o vendedor (escriba a máquina o en letra de imprenta) \_\_\_\_\_

Firma del comprador o vendedor \_\_\_\_\_

Nombre del comprador o vendedor (escriba a máquina o en letra de imprenta) \_\_\_\_\_

Firma del comprador o vendedor \_\_\_\_\_

Fecha \_\_\_\_\_

Nombre de la empresa \_\_\_\_\_

Nombre del agente \_\_\_\_\_ Número de licencia \_\_\_\_\_

**Revelación de subagencia de vendedor (Completa, si aplicable)**

Cuando le muestren una propiedad y colaboren con usted para comprarla, el agente y la empresa mencionados arriba representan al VENDEDOR. Para obtener más información, consulte la sección «Agente del vendedor trabajando con el comprador» en este folleto.

Iniciales del comprador reconociendo la revelación de la información: \_\_\_\_\_

As shown above, a new section titled, "FOR BUYER/SELLER", has been added to the left of the acknowledgment card. As usual, the fold on the left side of the card is perforated for easy detachment. The brochure (other panels are not shown) is then left with the buyer or seller.



**Free Publications**

**Quantity**

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)	_____
<u>Preguntas y Respuestas sobre:</u> (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 (Available online)	_____

**How To Order:**

**Online:** [www.ncrec.state.nc.us](http://www.ncrec.state.nc.us).

**Mail:** 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.**

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

Telephone \_\_\_\_\_ Email \_\_\_\_\_

**Please allow 7 days from receipt of order for delivery.**

**Purchase Publications**

**Quantity Totals**

Residential Square Footage Guidelines (\$ .65 per copy)	_____	\$
Working With Real Estate Agents (\$ .25 per copy)	_____	\$
<u>Questions and Answers on:</u>		
Home Inspections (\$ .25 per copy)	_____	\$
Earnest Money Deposits (\$ .25 per copy)	_____	\$
Real Estate Closings (\$ .25 per copy)	_____	\$
Offer and Acceptance (\$ .25 per copy)	_____	\$
Owning Vacation Rental Property (\$ .25 per copy)	_____	\$
Broker-in-Charge Guide (\$10 per copy)	_____	\$
North Carolina Real Estate License Law and Commission Rules (\$3.00 per copy)	_____	\$
Real Estate Agent Safety Guide (\$ .25 per copy)	_____	\$
Amount Enclosed	_____	\$

**How To Order:**

Mail or fax this form. Credit card: MasterCard or Visa only. Please do not remit cash.

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**Mail to:** Commission Publications, P. O. Box 28151, Raleigh, NC 27611

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Telephone \_\_\_\_\_ Email \_\_\_\_\_

MasterCard  Visa

Expiration Date

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

Signature: \_\_\_\_\_

**Please allow 7 days from receipt of payment for delivery.**





## Trust Account "Inspections by Letter" Program

By Emmet R. Wood, Director, Audits and Investigations

**K**ee an eye on your mail! If you are a broker-in-charge, there could be a letter from me on the way to you or already on your desk.

The Commission's program of conducting "spot" audits of real estate brokerage firm trust account records is expanding. In addition to auditor/investigators visiting real estate offices to inspect trust account records, letters are now being sent to certain brokers-in-charge requesting a response by mail. The letter requests a response by a certain date regarding records covering a specific period of time. The types of records that can be requested include:

Bank reconciliations	Trial balance	Cancelled checks
Journal	Deposit tickets	Ledger cards

I will send out inspection letters throughout the year. If you receive a letter and have questions about what is requested, please contact the Audits and Investigations Division for assistance.

Once copies of your trust account records are received at the Commission office, a staff auditor will examine them, contacting you to clarify any questions that may arise. Upon completion, the auditor will prepare and mail to you a report explaining the compliance (or noncompliance) of your trust account records with the Commission's rules and Trust Account Guidelines.

If you fail to respond to the letter, an auditor/investigator will visit your office to complete the inspection.

To prepare for any future inquiry into your trust account records - whether in person or by letter - carefully review your records and procedures now to see that they comply with Commission rules. To assist you in properly maintaining trust monies and trust account records, the Commission offers the following instruction:

•	<i>Basic Trust Account Procedures</i> course (see page three of this issue of the Bulletin for scheduling, or click on Course Registration on the Commission website).
•	<i>Broker-in-Charge</i> course (for brokers-in-charge, the first day of the Broker-in-Charge course covers trust account procedures).
•	<i>Trust Account Procedures for Resort Property Managers</i> course (contact the Audits and Investigations Division for course scheduling)
•	Commission rules A.107 and A.108 and the Trust Account Guidelines (both available on the Commission's website).

Remember, it is essential that your handling of trust monies conforms with both the spirit and letter of the law.



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*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.*

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**A QUALITY REALTY, LLC** (Winston-Salem) - By Consent, the Commission reprimanded A Quality Realty effective November 1, 2008. The Commission found that A Quality Realty, a real estate brokerage firm, failed to enter into written property management agreements, leases, listing agreements, and buyer agency agreements with clients. The Commission also found that A Quality Realty placed rents and security and earnest money deposits into the firm's operating account instead of its trust account. The Commission further found that A Quality Realty failed to account for or remit rent proceeds in a timely manner and that in sales transactions, its files did not include copies of the sales contract.

**WILLIAM RUSSELL ABBOTT** (Chesapeake, Virginia) – The Commission permanently revoked the broker license of Mr. Abbott effective November 20, 2008. The Commission found that Mr. Abbott pled guilty to *Felony Attempted Enticement of Minors to Engage in Illegal Sexual Acts* and *Felony Transporting Child Pornography in Interstate Commerce* in the U.S. District Court and is currently in prison.

**TERRY C. ANDERSON** (Asheville) – By Consent, the Commission suspended the broker license of Mr. Anderson for a period of 24 months effective November 14, 2008. The Commission found that Mr. Anderson, acting as broker-in-charge of a timeshare brokerage firm from July, 2004 to June, 2006, did not supervise the business of the firm, did not keep accurate transaction or trust account records, and did not attend to the day-to-day business of the firm. Mr. Anderson neither ad-

mitted nor denied the Commission's findings, but did not contest the license suspension.

**APPALACHIAN REAL ESTATE, LLC** (Banner Elk) - By Consent, the Commission revoked the firm license



of Appalachian Real Estate effective September 18, 2008. The Commission found that Appalachian Real Estate, acting as a broker, collected more than \$100,000 in purchaser deposit monies in connection with presale agreements, and failed to maintain the money in an escrow account, and failed to account for the money promptly.

**FREDERICK W. BELL** (Triangle Research Park) – By Consent, the Commission reprimanded Mr. Bell effective December 15, 2008. The Commission found that Mr. Bell's appraiser license was suspended by the North Carolina Appraisal Board for a period of one year for failure to respond to an investigation by the Board. The Commission noted that Mr. Bell voluntarily and timely re-

ported the suspension to the Commission.

**GODFREY GRAY BELL** (Greenville) – By Consent, the Commission suspended the broker license of Mr. Bell for a period of two years effective July 1, 2008. Three months of the suspension were active with the remainder stayed for a probationary period of 21 months. The Commission found that Mr. Bell, who operated a sole proprietorship, entered into a listing agreement and then continued to market the property after the expiration of the listing agreement without entering into a new agreement or obtaining an extension of the expired agreement. The Commission also found that Mr. Bell managed a residential property without first entering into a written Property Management Agreement and procured a tenant for the property, failed to deposit the rent and security deposit into a properly designated trust account and instead commingled the trust monies into his personal checking account. The Commission noted that Mr. Bell has accounted for all trust monies received.

**JOHN D. BENTLEY** (Charlotte) – By Consent, the Commission revoked the broker license of Mr. Bentley effective November 1, 2008. The Commission found that Mr. Bentley solicited investors during 2005 to invest in a program in which he promised fast and substantial profits in new construction properties and collected \$30,000 from prospective investors, but failed to account for the funds. The Commission noted that Mr. Bentley reimbursed the

(See **Disciplinary Action**, page 10)

## DISCIPLINARY ACTION

(Continued from page 9)

complainants \$15,000 as the result of a civil suit between the parties.

### SELINA C. BROOKS (Hubert)

–Correction: In the last issue of the *Real Estate Bulletin*, it was incorrectly reported that the Real Estate Commission had found that Selina Brooks, a broker in Onslow County, had transferred client monies from her trust account without authority. A correct report of the action involving Ms. Brooks follows:

By Consent, the Commission suspended the broker license of Ms. Brooks for a period of 12 months effective February 1, 2008. One month was active with the remainder stayed for a probationary period of 12 months on certain conditions. The Commission found that Ms. Brooks, as broker-in-charge of a real estate brokerage office, failed to reconcile the firm's trust account records with bank statements. The Commission found that Ms. Brooks's trust account records revealed a shortfall in the trust account. The Commission also noted that Ms. Brooks voluntarily informed the Commission of the activities that resulted in an investigation, that she fully cooperated with the Commission in its investigation, and that she replaced all the money missing from the account.

**TONNITTE G. BROWN** (Durham) – By Consent, the Commission suspended the broker license of Ms. Brown for a period of one year effective December 1, 2008. One month of the suspension was active with the remainder stayed for a probationary period of one year on certain conditions. The Commission found that Ms. Brown purchased a property in 2004 subject to an existing mortgage, used it as a rental unit, and subsequently went into arrears on mortgage payments after a tenant moved out; the lender foreclosed, damaging the seller's credit. The Commission also found that Ms. Brown failed to respond to inquiries from the Commission, did not maintain a rental trust account, and deposited the tenant security deposit

into her own account in violation of the Tenant Security Deposit Act.

**DENNIS P. BURGARD** (Jacksonville) – By Consent, the Commission suspended the broker license of Mr. Burgard for a period of three years effective February 1, 2008. Effective October 14, 2008, the Commission stayed the remainder of the suspension for a

### Licensees Must Report Convictions

Commission Rule A.0113 requires any licensee who is convicted of a misdemeanor or felony or who has disciplinary action taken against him or her by any occupational licensing board to file a report with the Real Estate Commission.

The reporting requirement includes convictions for driving while impaired ("DWI"). The report must be filed within sixty (60) days of the final judgment or board action.

If you have questions about this rule, please call the Commission's Legal Services Division at 919-875-3700 for more information.

probationary term. The Commission found that Mr. Burgard, as broker-in-charge of a real estate brokerage firm, failed to adequately safeguard the funds of its clients held in trust and failed to supervise an unlicensed employee who was given access to the firm's trust accounts and who, in 2003, converted approximately \$150,000 in trust monies to her own use.

**MARK A. BURTON** (Greensboro) – The Commission accepted the voluntary surrender of the broker license of Mr. Burton effective October 14, 2008. The Commission dismissed without prejudice allegations that Mr. Burton violated the Real Estate License Law and Commission rules. Mr. Burton neither admitted nor denied misconduct.

**CLAUDIA M. BYRD** (Lexington) – By Consent, the Commission revoked the broker license of Ms. Byrd effective September 18, 2008. The Commission found that Ms. Byrd, as qualifying broker and broker-in-charge of a real estate brokerage firm, failed to maintain \$2,000 earnest money deposit in a trust account. The Commission also found that the check Ms. Byrd gave the closing attorney was dishonored by her bank and that subsequently she failed to promptly remit or account for the deposit money.

**CELEBRITY STATUS, LLC** (Charlotte) - By Consent, the Commission revoked the firm license of Celebrity Status effective December 15, 2008. The Commission found that Celebrity Status, a property management firm, failed to maintain client and tenant monies in a trust account and failed to properly account for and remit such monies to clients and tenants.

**CENTURY 21 HERITAGE REALTY, INC.** (Selma) - The Commission accepted the permanent voluntary surrender of the firm license of Century 21 Heritage Realty effective February 1, 2009. The Commission dismissed without prejudice allegations that Century 21 Heritage Realty violated provisions of the Real Estate License Law and Commission rules. Century 21 Heritage Realty denied misconduct.

**KEITH L. CLARK** (Dillsboro) – By Consent, the Commission suspended the broker license of Mr. Clark for a period of three years effective December 1, 2008. The Commission then stayed the suspension for a probationary period of three years on certain conditions. The Commission found that Mr. Clark, in November 2007, entered into a consent agreement with the North Carolina State Bar for a five-year suspension of his law license for multiple failures to participate in fee dispute resolution cases, multiple failures to respond to the State Bar's letters of notice in various grievance cases, failure to provide (See **Disciplinary Action**, page 11)

## DISCIPLINARY ACTION

(Continued from page 10)

the services for which he was hired, failure to file court documents, failure to settle estates, failure to account for monies collected, and failure to deposit trust monies into his trust accounts. The Commission noted that the State Bar's consent agreement further stated that Mr. Clark may, after three years active suspension, apply for a stay of the remaining period if he satisfies conditions set out in the agreement.

**JOHN K. COLLINS** (Mount Airy) – By Consent, the Commission reprimanded Mr. Collins effective October 1, 2008. The Commission found that Mr. Collins listed a parcel and represented that it was a “great location for double-wides” and failed to inform purchasers of restrictions on the parcel. The Commission also found that Mr. Collins marked boundaries on the property and failed to advise the buyer when he was informed that the markers encroached on a neighbor's land. The Commission noted that Mr. Collins purchased the property from the buyers and reimbursed the property owner for the removal of trees by the buyer.

**NANCY K. CONNOLLY** (Goldsboro) – By Consent, the Commission suspended the broker license of Ms. Connolly for a period of one year effective November 1, 2008. One month of the suspension was active with the remainder stayed for a probationary period of one year on certain conditions. The Commission found that Ms. Connolly, between 2005 and the end of 2006, wrongfully terminated listings without the knowledge or consent of her firm's broker-in-charge and/or assisted sellers with terminations with her firm so that she could take those clients to her new employer's firm.

**DONALD L. CREED** (Charlotte) – By Consent, the Commission suspended the broker license of Mr. Creed for a period of one year effective December 1, 2008. The Commission

then stayed the suspension for a probationary period of two years on certain conditions. The Commission found that in 2006, Mr. Creed entered into an agreement with an out-of-state broker to represent buyer clients in a purchase of a home in North Carolina, and that although Mr. Creed knew that the out-of-state broker was not licensed in

### Receive Credit Where and When Credit is Due!

When continuing education sponsors fail to report credits to the Commission in a timely manner, licensees may find themselves on Inactive Status on July 1.

You can avoid this problem by going online to the Commission website, [www.ncrec.state.nc.us](http://www.ncrec.state.nc.us), to verify your CE credits.

Similarly, if you completed your CE online, verify that your sponsor submitted your affidavit to the Commission in time for your CE record to be updated.

North Carolina and knew that the out-of-state broker intended to participate in the transaction in North Carolina, Mr. Creed agreed to pay the out-of-state broker a large referral fee and, after closing, paid the referral fee of over \$22,000 to the out-of-state broker's firm.

**LYNDA J. DAVIS** (Stanley) – By Consent, the Commission revoked the broker license of Ms. Davis effective December 15, 2008. The Commission found that Ms. Davis was the rental manager and bookkeeper for a property management firm which during 2003, 2004, and 2005, failed to keep accurate records of the funds of others in the firm's possession, failed to reconcile trust account records to bank records, and had difficulty accounting for over \$105,000 in security deposit monies in-

cluding, as of May 1, 2005, a shortfall of least \$47,000.

**GERALD R. FULLER** (Boone) – By Consent, the Commission revoked the broker license of Mr. Fuller effective November 14, 2008. The Commission found that Mr. Fuller, acting as broker-in-charge of a sole proprietorship engaged in the property management business, failed to produce trust account records to the Commission and failed to meet with the Commission investigator who was investigating the proprietorship's trust accounting and property management practices. Mr. Fuller neither admitted nor denied misconduct, but did not contest the Commission's disciplinary action.

**RICHARD SCOTT FURTNEY** (Jacksonville) – By Consent, the Commission suspended the broker license of Mr. Furtney for a period of one year effective January 15, 2009. The Commission then stayed the suspension for a probationary period of one year under certain conditions. The Commission found that Mr. Furtney advertised two listed properties as having four bedrooms when they were permitted for only three, and that after Mr. Furtney learned that the septic system for one of the properties did not permit a four bedroom house, and repairs to the septic system may not have been performed, he did not disclose these facts to the purchaser prior to closing. The Commission also found that after the closing of the first house, Mr. Furtney learned that the second house did not have a four-bedroom septic permit, disclosed the problem to the purchasers, but, without the seller's authority, threatened to withhold possession of the property from the buyers unless they provided him a written release that the seller did not require. The Commission noted that Mr. Furtney made a reasonable offer to both purchasers to pay to correct the matters which he should have disclosed. Mr. Furtney neither admitted nor denied the Commission's findings and conclusions.

(See **Disciplinary Action**, page 12)

## DISCIPLINARY ACTION

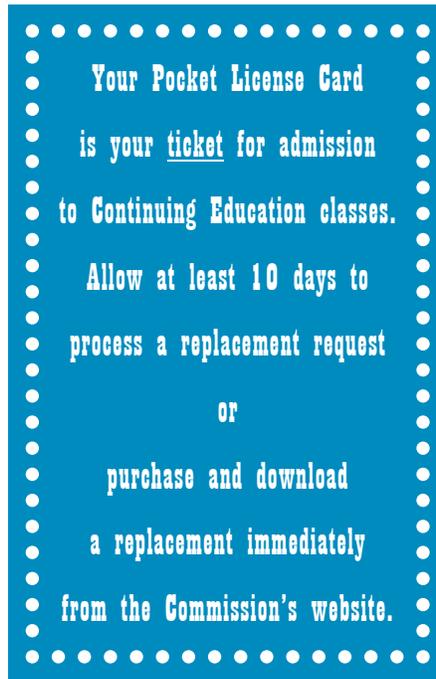
(Continued from page 11)

**GRANVILLE PROPERTY MANAGEMENT AND DEVELOPMENT LLC** (Butner) – By Consent, the Commission revoked the firm license of Granville Property Management and Development effective September 18, 2008. The Commission found that Granville Property Management and Development, acting as broker and rental agent for owners of rental properties, failed to maintain rent and security deposit money in a trust account and failed to account for rent and security deposit money to landlords and tenants promptly. The Commission also found that Granville Property Management and Development was unable to account for or remit at least \$42,000 in tenant security deposit money.

**DAVID J. GRINDSTAFF** (Charlotte) – By Consent, the Commission suspended the broker license of Mr. Grindstaff for a period of two years effective April 15, 2007. The Commission found that Mr. Grindstaff listed a commercial property, but failed to disclose the listing to the real estate brokerage firm with which he was affiliated. The Commission also found that Mr. Grindstaff created an LLC and acted as a dual agent in a transaction in which the LLC offered to purchase the commercial property and failed to disclose to his seller client that he was a principal in the LLC. Finally, the Commission found that Mr. Grindstaff entered into a lease-purchase agreement with another entity that would result in a profit to his LLC and failed to disclose this to his seller client.

**STODARD F. HALL, JR.** (Oak Island) – By Consent, the Commission suspended the broker license of Mr. Hall for a period of one year effective December 15, 2008. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Mr. Hall served as broker-in-charge of a real estate brokerage firm from November 2006 to

November 2007, and failed to oversee the firm's trust account and to reconcile the trust account records, resulting in significant discrepancies between the reconciled balance, journal balance and property trial balance, and did not maintain trust account records in such a manner as to create a clear audit trail.



**DEVERAUX S. HAMILTON** (Cary) – By Consent, the Commission suspended the broker license of Mr. Hamilton for a period of one year effective January 14, 2009. Three months of the suspension are active with the remainder stayed for a probationary period of 18 months on certain conditions. The Commission found that Mr. Hamilton pled guilty to and was convicted on or about January 18, 2008, of the misdemeanor offense of assault inflicting serious injury. The Commission also found that Mr. Hamilton was convicted on or about August 5, 2002 of driving while impaired and failed to report the conviction to the Commission. The Commission further found that Mr. Hamilton failed to disclose on his 2000 license application a conviction in 1998 of filing a false police report to a police station. The Commission noted that Mr. Hamilton successfully completed an anger management course and other

court requirements resulting from his recent conviction, including the payment of fines, court costs and restitution totaling \$18,874.40.

**JANET W. HEFNEY** (Fort Mill, South Carolina) – By Consent, the Commission suspended the broker license of Ms. Hefney effective June 18, 2008. Thirty days of the suspension were active with the remainder stayed for a probationary period of one year under certain conditions. The Commission found that Ms. Hefney, who represented two buyers in transactions in which each buyer purchased two rental properties, reimbursed the buyers after closing for monies paid in connection with the closing and did not inform the lender or closing attorney about the reimbursements and they were not disclosed on the HUD-1 closing statement.

**LAVINIA B. HENSLEY** (High Point) – The Commission suspended the broker license of Ms. Hensley for a period of six months effective January 1, 2009. The Commission found that Ms. Hensley failed to disclose to the buyer of property she and her husband owned that the primary well for the property failed to produce adequate water supply and that she and her husband conserved water by washing clothes at a commercial laundry. The Commission also found Ms. Hensley failed to disclose that three other wells drilled on the property failed to supply adequate water. The Commission further found that Ms. Hensley provided the buyer with a residential property disclosure statement which represented that the quantity of water produced by a well recently connected to the house had not been determined when, in fact, she knew that the well had been found to produce zero water, a material fact. Finally, the Commission found that Ms. Hensley refused to take responsibility for the water shortage the buyer experienced following purchase of the property.

**DONALD L. HINTON** (Fayetteville) – By Consent, the Commission (See **Disciplinary Action**, page 13)

## DISCIPLINARY ACTION

(Continued from page 12)

suspended the broker license of Mr. Hinton for a period of one year effective January 1, 2009. The Commission then stayed the suspension for a probationary period of one year on certain conditions. The Commission found that Mr. Hinton, a rental property manager, on multiple occasions between 2006 and September 2008 failed to make an accounting and remittance of rental proceeds belonging to his landlord client in a timely manner. The Commission also found that Mr. Hinton failed to communicate with his owner clients when they attempted to contact him about their properties and repeatedly failed to respond to Letters of Inquiry sent by representatives of the Commission.

**HORIZON REALTY OF THE TRIAD, LLC** (Greensboro) - By Consent, the Commission revoked the firm license of Horizon Realty of the Triad effective September 18, 2008. The Commission found that Horizon Realty of the Triad failed to maintain in a trust account \$2,000 representing a buyer's earnest money in connection with a transaction. The Commission also found that Horizon Realty of the Triad disbursed the money to the closing attorney in the transaction, but the check was dishonored by the firm's bank, and that Horizon failed to promptly account for or remit the money.

**LISA LYNNE HUFFSTICKLER** (Wilmington) – By Consent, the Commission suspended the broker license of Ms. Huffstickler for a period of 12 months effective May 1, 2008. The Commission found that Ms. Huffstickler declared to the Commission that she had accumulated six years of experience as a real estate broker or salesperson between 1999 and 2005 when, in fact, Ms. Huffstickler first became licensed in 2002 and her license was on inactive status between December, 2003, and June, 2005.

**TERRI M. JOHNSON** (Banner Elk) – By Consent, the Commission revoked the broker license of Ms. Johnson effective September 18, 2008. The Commission found that Ms. Johnson, a broker-in-charge, collected more than \$100,000 in purchaser deposit monies in connection with presale agreements, and failed to maintain the money in an escrow account, and failed to account for the money promptly.

**GARLAND M. JONES** (Winston-Salem) – By Consent, the Commission suspended the broker license of Mr. Jones for a period of 15 months effective November 1, 2008. The Commission then stayed the suspension for a probationary period of 15 months on certain conditions. The Commission found that Mr. Jones, as qualifying broker and broker-in-charge of his firm, failed to enter into written property management agreements, leases, listing agreements, and buyer agency agreements with clients. The Commission also found that rents and security and earnest money deposits were placed into the firm's operating account instead of a trust account and that in a transaction where Mr. Jones acted as a builder/seller, earnest money was deposited into his construction company's account. The Commission further found that Mr. Jones failed to oversee the handling of the trust account, leading to a number of violations of Commission rule, unaccounted for overages and no clear audit trail for trust monies.

**R. GENE JONES** (Elizabeth City) – By Consent, the Commission suspended the broker license of Mr. Jones for a period of three years effective November 18, 2008. Two years of the suspension are active, with the remainder stayed for a probationary period of three years on certain conditions. The Commission found that Mr. Jones, when licensed in 1994, represented to the Commission that he had not been convicted of a criminal offense, when in fact he was convicted of *Level 5 DWI* in 1993. The Commission also found that Mr. Jones was convicted of *Level 2 DWI* in 1999

and, in applying for license reinstatement in 2000 after allowing his license to expire, failed to report either of these convictions. The Commission further found that Mr. Jones was convicted twice more of *Level 2 DWI* in January and April, 2006, and failed to report these convictions to the Commission as required and failed repeatedly to respond to Letters of Inquiry and other communications from the Commission.

**JUANITA GONZALES SHOTWELL, INC.** (Wilmington) – By Consent, the Commission revoked the firm license of Juanita Gonzales Shotwell, Inc., effective October 1, 2008. The Commission found that Juanita Gonzales Shotwell, Inc., contracted to sell a listed property in which it had an ownership interest to a developer buyer provided that the property was able to be subdivided into 11 lots, and failed to disclose that the property was in a conservation overlay that ultimately prevented subdivision. The Commission also found that Juanita Gonzales Shotwell, Inc., failed to disclose that the property had been used as a site for illegal waste disposal and failed to return the developer buyer's earnest money deposit when the property did not close due to the inability to meet contractual requirements.

**JERRY LEONARD KISER** (Cornelius) – By Consent, the Commission suspended the broker license of Mr. Kiser for a period of 18 months effective September 1, 2008. The Commission found that Mr. Kiser obtained a building permit on May 23, 2007 to construct a home under an owner-occupier exemption requiring residence in the home for one year after completion before it could be sold, and that immediately thereafter, Mr. Kiser marketed the home and in August 2007 accepted an offer to purchase with a closing date of October 30, 2007, despite having no right to transfer the new construction home under such restrictions.

(See **Disciplinary Action**, page 14)

## DISCIPLINARY ACTION

*(Continued from page 13)*

**MARIA STARR KISER** (Cornelius) – By Consent, the Commission suspended the broker license of Ms. Kiser for a period of 18 months effective September 1, 2008. Three months of the suspension were active with the remainder stayed for a probationary period. The Commission found that Ms. Kiser, a provisional broker acting as listing agent for a new construction property being built by her husband, who was not licensed as a general contractor, marketed the property during construction despite knowing that the building permit required an unlicensed general contractor to occupy the house for at least 12 months following its completion.

**LAKE NORMAN CORNELIUS NC LLC** (Cornelius) – By Consent, the Commission reprimanded Lake Norman Cornelius NC LLC effective January 1, 2009. The Commission found that Lake Norman Cornelius NC LLC, acted as listing agent and marketed a new construction property being built by an affiliated provisional broker who obtained a building permit as an unlicensed general contractor which required the affiliated broker to own and occupy the house for at least 12 months following completion of the project.

**F. ELAINE MANGUM** (Butner) – By Consent, the Commission revoked the broker license of Ms. Mangum effective September 18, 2008. The Commission found that Ms. Mangum, acting as broker-in-charge and rental agent for owners of rental properties, failed to maintain rent and security deposit money in a trust account and to promptly account for it to landlords and tenants. The Commission also found that Ms. Mangum was unable to account for or remit at least \$42,000 in tenant security deposit money.

**GREGORY A. MASCARO** (Harrisburg) – By Consent, the Commission permanently revoked the broker license

of Mr. Mascaro effective September 18, 2008. The Commission found that Mr. Mascaro, between 2002 and 2003, participated in a mortgage fraud scheme, was indicted, and pled guilty on charges relating to his conduct in the U.S. District Court.

**DAVID W. MCGREW** (Marshall) – By Consent, the Commission revoked the broker license of Mr. McGrew effective December 15, 2008. The Commission found that Mr. McGrew failed to account for or remit money entrusted to him in connection with his business as a registered forester and that on September 22, 2008, Mr. McGrew was convicted of the felony offense of embezzlement.

**PENELOPE F. MERCER** (Rocky Mount) – The Commission accepted the permanent voluntary surrender of the broker license of Ms. Mercer effective November 1, 2008. The Commission dismissed without prejudice allegations that Ms. Mercer violated provisions of the Real Estate License Law and Commission rules. Ms. Mercer did not admit misconduct.

**ORIENTAL REALTY, LLC** (Oriental) - The Commission revoked the firm license of Oriental Realty effective September 29, 2008. The Commission found that Oriental Realty failed to remit earnest money deposits coming into its possession which belonged to prospective buyers in two failed transactions. The Commission also found that Oriental Realty failed to provide timely and complete accountings to persons for whom it held trust monies and failed to make its trust account records available for inspection by the Commission.

**LEE S. PETERSON** (Cornelius) – By Consent, the Commission reprimanded Mr. Peterson effective January 1, 2009. The Commission found that Mr. Peterson, as broker-in-charge of a real estate brokerage firm, permitted a provisional broker under his supervision to list and market a new construction property being built by her husband,

also a provisional broker under Mr. Peterson's supervision; the seller/provisional broker was not a licensed general contractor but obtained a building permit which required an unlicensed general contractor to own and occupy the house for at least 12 months following completion of the project.

**POINT EAST, INC.** (Rocky Mount) - The Commission accepted the permanent voluntary surrender of the broker license of Point East effective November 1, 2008. The Commission dismissed without prejudice allegations that Point East violated provisions of the Real Estate License Law and Commission rules. Point East did not admit misconduct.

**ROSALIE CLARA PONTZ** (Charlotte) – By Consent, the Commission revoked the broker license of Ms. Pontz effective December 15, 2008. The Commission found that Ms. Pontz, while acting as broker-in-charge of a property management firm, failed to maintain client and tenant monies in a trust account and failed to properly account for and remit such monies to clients and tenants.

**LISA A. QUIN** (Raleigh) – By Consent, the Commission suspended the broker license of Ms. Quin for a period of two years effective December 1, 2008. One month of the suspension was active with the remainder stayed for a probationary period of 23 months on certain conditions. The Commission found that Ms. Quin, in her 2003 license application, responded “No” to the question regarding any previous criminal convictions, when, in fact, she had been convicted of misdemeanor larceny in 1999 for processing false payroll checks for former employees at the hotel she managed and had a 2002 misdemeanor conviction for having an expired car registration.

**KIMBERLY S. RYAN** (Fayetteville) – By Consent, the Commission

*(See Disciplinary Action, page 15)*

## DISCIPLINARY ACTION

*(Continued from page 14)*

suspended the broker license of Ms. Ryan for a period of two years effective December 1, 2008. Three months of the suspension were active with the remainder stayed for a probationary period. The Commission found that Ms. Ryan was the subject of two consumer complaints filed with the Commission by former clients concerning her conduct as a licensee in a sales transaction and failed to reply to multiple letters of inquiry sent by the Commission seeking information about the transactions.

**CLAUDIA ELAINE SARGENT** (Fayetteville) – By Consent, the Commission revoked the broker license of Ms. Sargent effective October 15, 2008. The Commission found that Ms. Sargent, a broker-in-charge who conducted property management services, deposited client funds in accounts not designated trust or escrow, failed to maintain her trust accounts in accordance with Commission rule, commingled trust money with her own, and converted trust money to her own use, leading to a large shortage in her trust accounts. The Commission also found that Ms. Sargent failed to respond to repeated Letters of Inquiry from Commission investigators.

**AMANDA SEYMOUR** (Charlotte) – By Consent, the Commission suspended the broker license of Ms. Seymour for a period of six months effective November 1, 2008. The Commission then stayed the suspension for a probationary period of one year under certain conditions. The Commission found that Ms. Seymour failed to disclose to the Commission in her 2001 license application a 1997 conviction of driving while impaired (DWI). The Commission also found that Ms. Seymour was again convicted of DWI in 2008 and noted that Ms. Seymour reported the 2008 conviction to the Commission in conformity with the Commission's rules.

**JUANITA G. SHOTWELL** (Wilmington) – By Consent, the Commission revoked the broker license of Ms. Shotwell effective October 1, 2008. The Commission found that Ms. Shotwell, qualifying broker and broker-in-charge of her licensed firm, contracted to sell a listed property in which she had an ownership interest to a developer buyer provided that the property was able to be subdivided into 11 lots, and failed to disclose that the property was in a conservation overlay that ultimately prevented subdivision. The Commission also found that Ms. Shotwell failed to disclose that the property had been used as a site for illegal waste disposal and failed to return the developer buyer's earnest money deposit when the property did not close due to the inability to meet contractual requirements.

**JUDY JUANITA PARRISH (STARR)** (Selma) – The Commission accepted the permanent voluntary surrender of the broker license of Ms. Starr effective December 1, 2008. The Commission dismissed without prejudice allegations that Ms. Starr had violated the Real Estate License Law and Commission rules. Ms. Starr neither admitted nor denied misconduct.

**BECKY S. STEELE** (Indian Trail) – By Consent, the Commission reprimanded Ms. Steele effective November 1, 2008. The Commission found that Ms. Steele represented buyers in a transaction involving an older home on an intracoastal waterway that was advertised as being in a flood zone, but not in a COBRA zone, and failed to verify the advertised zoning of the property, which was actually in a COBRA zone banning the sale of federal flood insurance for structures built or improved on or after October 1, 1983.

**LISA T. TAYLOR** (Waxhaw) – By Consent, the Commission reprimanded Ms. Taylor effective October 1, 2008. The Commission found that Ms. Taylor incorrectly certified to the Commission that she had four years' experience as a licensed real estate broker or sales per-

son on active status when Ms. Taylor's license was on inactive status for much of the period in question.

**THE BENTLEY CO.** (Charlotte) – By Consent, the Commission revoked the firm license of The Bentley Co. effective November 1, 2008. The Commission found that The Bentley Co. solicited investors during 2005 to invest in a program in which it promised fast and substantial profits in new construction properties and collected \$30,000 from prospective investors, but failed to account for the funds. The Commission noted that The Bentley Co. reimbursed the complainants \$15,000 as the result of a civil suit between the parties.

**MARK HENRY TKAC** (Knightdale) – By Consent, the Commission permanently revoked the broker license of Mr. Tkac effective January 1, 2009. The Commission found that Mr. Tkac misrepresented the true nature of various transactions to investment purchasers in order to convince the investment purchasers to participate in a real estate investment program he promoted, and that most of these transactions ended in foreclosures.

**CHARLES E. VAUGHN** (Hendersonville) – The Commission accepted the permanent voluntary surrender of the broker license of Mr. Vaughn effective October 14, 2008. The Commission dismissed without prejudice allegations that Mr. Vaughn violated provisions of the Real Estate License Law and Commission rules. Mr. Vaughn neither admitted nor denied misconduct.

**CARROL W. WALKER** (Lenoir) – By Consent, the Commission revoked the broker license of Ms. Walker effective November 14, 2008. The Commission found that Ms. Walker, acting as real estate broker in a transaction, did not refund to the buyers \$35,000 in earnest money when the transaction failed to close, did not maintain the money in an escrow account, and did not pay a

*(See Disciplinary Action, page 16)*

## DISCIPLINARY ACTION

(Continued from page 15)

subsequent judgment for it obtained by the buyers.

**ROY JONATHAN WEST** (Minneapolis) – The Commission revoked the broker license of Mr. West effective September 29, 2008. The Commission found that Mr. West, who conducted real estate brokerage in Oriental, North Carolina, failed to remit earnest money deposits coming into his possession which belonged to prospective buyers in two failed transactions. The Commission also found that Mr. West failed to provide timely and complete accountings to persons for whom he held trust monies and failed to make his trust account records available for inspection by the Commission.

**WATSON C. WHARTON** (Tryon) – By Consent, the Commission revoked the broker license of Mr. Wharton effective November 1, 2008. The Commission found that Mr. Wharton failed to maintain his trust account records in compliance with the License Law and Commission rules and the liabilities of the accounts exceeded the funds on deposit. The Commission noted that Mr. Wharton has since fully funded the accounts.

**SHERRI B. WIGGINS** (Mooresville) – By Consent, the Commission accepted the voluntary surrender of the broker license of Ms. Wiggins for a period of one year effective December 1, 2008. The Commission dismissed without prejudice allegations that Ms. Wiggins violated provisions of the Real Estate License Law and Commission rules. Ms. Wiggins neither admitted nor denied misconduct.

**RODERICK D. WILLIAMS** (Charlotte) – By Consent, the Commission revoked the broker license of Mr. Williams effective December 1, 2008. The Commission found that Mr. Williams, broker-in-charge of his sole proprietorship, engaged in the prop-

erty management business and failed to maintain accurate trust account records.

**SHARON B. WRIGHT** (Reidsville) – By Consent, the Commission suspended the broker license of Ms. Wright for a period of one year effective October 1, 2008. The Commission found that Ms. Wright, as qualifying broker and broker-in-charge of a property management firm, failed to maintain the trust account records for approximately 800 rentals and 110 owners in compliance with the Real Estate License Law and Commission rules. The Commission noted that no funds were missing and no consumers were injured as a result.

**SANDRA L. YOUNG** (Albemarle) – The Commission revoked the broker license of Ms. Young effective October 7, 2008. The Commission found that Ms. Young, acting as broker-in-charge of a sole proprietorship and manager of a rental property, failed to account for or to remit an \$800 tenant security deposit to the owner of a rental property, failed

## Safety Tip

*Safety Tip #9 - DANGER IS NOT ALWAYS EASY TO IDENTIFY*

- *Gut feelings*
- *Hesitation*
- *Unexplained fear*
- *Apprehension*

*These are signals that something isn't right!*

*Safety experts agree that it is best to assume that your instincts are right and to take the necessary precautions.*

*Reprinted from the North Carolina Real Estate Agent Safety Guide.*

to maintain the owner's rents in a trust or escrow account and commingled the funds in her own rental operating account, and failed to supply her trust account records to the Commission upon request.

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Estate Commission  
P. O. Box 17100  
Raleigh, NC 27619-7100

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