Governor Easley Appoints Hodge, Rudd to Real Estate Commission

Joe L. Hodge, Jr., of Raleigh, and S. R. “Buddy” Rudd, Jr., of Oak Island, have been appointed to the Real Estate Commission by Governor Michael F. Easley, it was announced by Commission Chairman Raymond A. “Buddy” Bass, Jr.

Hodge is president of Hodge & Kittrell, Inc., a Raleigh real estate firm, and Rudd is a principal with Margaret Rudd & Associates, a real estate firm with offices in Oak Island and Southport.

The oath of office was administered to Hodge by State Supreme Court Chief Justice Sarah Parker in November and to Rudd by State Court of Appeals Chief Judge John C. Martin in January in the Commission’s Raleigh office.

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The oath of office was administered to Hodge by State Supreme Court Chief Justice Sarah Parker in November and to Rudd by State Court of Appeals Chief Judge John C. Martin in January in the Commission’s Raleigh office.

Joe L. Hodge, Jr.

Hodge is a member and former President of the Raleigh Regional Association of Realtors and was named REALTOR® of the Year in 1996 by the Association.

He is a board member of Needham Broughton Capital Foundation and a former member of the Vestry of Christ Church, where he served as Junior Warden.

A Raleigh native and 1978 graduate of the University of North Carolina at Chapel Hill, Hodge and his wife, Anna Ball, have three daughters. Anna Ball, 22, is a 2006 graduate of Wake Forest University and currently works with Henredon Furniture Company in High Point. Elizabeth, 20, is a third-year student at the University of Virginia, and Josie, 16, is a junior at Broughton High School.

S. R. “Buddy” Rudd, Jr.

Active in the real estate industry for more than 20 years, he is currently a member of the Oak Island Planning Board and a director of the Southport-Oak Island Chamber of Commerce.

Rudd is a past chairman of the Brunswick County Democratic Party, past president of the Brunswick County Board of REALTORS® and REALTOR® of the year in 1998, and a past director of the North Carolina Vacation Rental Managers Association and North Carolina Real Estate Education Foundation.

In 2005, he was named to the North Carolina Association of REALTORS® Hall of fame and in 2002, received the REALTOR® Citizenship Award.

B I C Only

New B I C Resource
Available on Website

Brokers-in-Charge will find expanded management resources through a new feature on the Commission’s website enabling them to track certain information about licensees affiliated with them or under their supervision.

The new “BIC Only” tab on the Commission’s home page, at www.ncrec.state.nc.us provides access to a variety of current data relating to each licensee, a link to the online BIC Declaration Form, and a summary of the Broker-in-Charge’s continuing education credits.

By clicking on the “BIC Only” tab and entering their license number and PIN, the Broker-in-Charge will be able to view and print the following:

- A listing of all licensees for whom Commission records show as affiliated with or under the supervision of the Broker-in-Charge.

(See B IC Only, page 3)
People

April M. Conyers has assumed the position of Records Specialist in the Administration Division. Prior to joining the Commission, she served for five years in the U. S. Air Force as a Personnel Specialist in San Antonio, Texas, and Okinawa, Japan.

Amber M. Evans has assumed the position of Records Specialist in the Administration Division. She is a graduate of Appalachian State University with a BS in Marketing.

Amber D. Stotesbury has assumed the position of Records Specialist in the Administration Division. She is a graduate of Meredith College with a BS in Business Administration and has been a licensed real estate broker since 2003.

Kevin T. Timmons has assumed the position of Office Assistant in the Administration Division. Prior to joining the Commission, he worked for 20 years in the information technology field. He is a licensed real estate broker.

The Commission is pleased to announce that Janet B. Thoren has returned to the Commission as Chief Deputy Legal Counsel after service as Director of Legal Resources with the Association of Real Estate License Law Officials.

Appearances

Miriam J. Baer, Assistant Director of Legal Services, spoke to the Winston-Salem Regional Association of REALTORS® on real estate contracts.

Peter C. Evans, III, Information Officer, was interviewed on the WTKF “Real Estate Today” program in Morehead City and answered questions from the public.
March 14
April 11
May 9
June 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.

BIC Only
(Continued from page 1)

• The “level” of license for those listed (i.e., Provisional Transitional Broker (PBT), Provision Broker (PB) or Provision Broker with a 2009 deadline for taking postlicensing courses (PB9). [See pages 8, 9 and 10 in this issue of the Real Estate Bulletin for further information on these “levels”].

• The renewal date for each licensee.
• Continuing education credits for each licensee.
• Postlicensing education credits (if needed) for each licensee.
• A link to the Broker-in-Charge Declaration Form, which can be completed online or downloaded if a paper copy is preferred.
• A summary of the BIC’s continuing education credits (which are also available to the BIC through the Licensee Login and Licensees Only tabs on the Home page).

The Commission will continue to update this area to add more services to assist Brokers-in-Charge in the future.

COURSE SCHEDULES

Broker-in-Charge
Basic Trust Account Procedures

This schedule provides locations, dates, and times for the courses indicated through June 2007. Register online at the Commission’s website, 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.)

<table>
<thead>
<tr>
<th>Location</th>
<th>Dates</th>
<th>Hotel/Location</th>
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<tbody>
<tr>
<td>Asheville</td>
<td>May 17, 18</td>
<td>Holiday Inn - East/Blue Ridge Parkway</td>
</tr>
<tr>
<td>Banner Elk</td>
<td>April 18, 19</td>
<td>Best Western Mountain Lodge</td>
</tr>
<tr>
<td>Charlotte</td>
<td>April 10, 11</td>
<td>Holiday Inn Airport</td>
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<td>May 10, 11</td>
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<tr>
<td></td>
<td>June 5, 6</td>
<td></td>
</tr>
<tr>
<td>Greensboro</td>
<td>May 23, 24</td>
<td>Clarion Hotel (formerly the Radisson)</td>
</tr>
<tr>
<td>Raleigh</td>
<td>April 9, 10</td>
<td>McKimmon Conference Center</td>
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<tr>
<td></td>
<td>May 7, 8</td>
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<tr>
<td></td>
<td>June 7, 8</td>
<td></td>
</tr>
<tr>
<td>Wilmington</td>
<td>April 23, 24</td>
<td>Coast Line Convention Center</td>
</tr>
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Basic Trust Account Procedures

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
<th>Hotel/Location</th>
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</thead>
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<tr>
<td>Charlotte</td>
<td>May 11, 9 a.m.-1 p.m.</td>
<td>Holiday Inn Airport</td>
</tr>
<tr>
<td>Raleigh</td>
<td>April 3, 1-5 p.m.</td>
<td>McKimmon Conference Center</td>
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<td></td>
<td>May 2, 1-5 p.m.</td>
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<td>June 5, 1-5 p.m.</td>
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<td></td>
<td>July 3, 1-5 p.m.</td>
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</tr>
<tr>
<td>Wilmington</td>
<td>April 24, 9 a.m.-1 p.m.</td>
<td>Coastline Inn</td>
</tr>
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</table>
At its January meeting, the Real Estate Commission received the final report and recommendations from its Community Association Management Advisory Committee. The advisory committee was formed in response to the Commission’s concern over the potential for financial loss to real estate consumers which could result from the mishandling of community association monies by unregulated persons.

The Commission noted that the amount of the money collected from homeowners for their association dues and fees can be substantial and that (other than real estate brokers) persons responsible for handling these monies are not licensed or regulated in any way. The Commission charged the advisory committee to recommend whether these persons should be credentialed and regulated; and if so, how.

The committee held five meetings. After finding that the demonstrated and potential harm to consumers from the improper handling of consumer association monies warrants governmental action, it recommended to the Real Estate Commission that the Commission support legislation to:

1. Require community associations (both self-managed and fee-managed) which exceed a certain size to register with and provide certain information to a state government agency;

2. Require persons (and firms) in the business of managing community associations to obtain a community association manager license from a state agency, including passing a licensing examination;

3. Require persons/entities responsible for handling and accounting for association funds to be bonded; and

4. Create a state government agency consisting primarily of community association managers to administer the licensing and registration programs.

The Commission approved in principal the recommendations submitted by the committee believing that they define a workable framework for a meaningful regulatory program. Legislation to implement the recommendations will hopefully be considered at the N.C. General Assembly’s 2007 Session.

To assure that all perspectives and points of views were adequately represented, the Commission appointed to the committee community association managers (including a resort association manager), property managers, a builder/developer, a consumer protection attorney from the North Carolina Attorney General’s Office, a representative of a firm that maintains data on North Carolina homeowner associations, and a professional staff member from the N.C. Association of REALTORS® representing the real estate brokerage industry.

The members were Dennis Abbott (Charlotte), Commission Vice Chair Skip Alston (Greensboro), Robert Hecht (Denver), Henry Jones, Jr. (Raleigh), Robert Lawing (Charlotte), Jim Laumann (Morrisville), John Lawton (Raleigh), Ted Nye (Banner Elk), John Stone (Pinehurst), Associate Attorney General Harriet Worley (Raleigh), and N.C. Association of REALTORS® Director of Regulatory Affairs Rick Zechini.

The Commission expressed its appreciation to the members of the Community Association Management Advisory Committee for their efforts in addressing this timely and important issue, and to Executive Director Fisher who facilitated the committee’s discussions; Legal Counsels Tom Miller and Miriam Baer; Directors Larry Outlaw, Emmet Wood and Fran Whitley; and Chief Deputy Legal Counsel Janet Thoren who served as Commission staff advisors to the committee.

To view the committee’s final report in its entirety, go to the Commission’s website, www.ncrec.state.nc.us (Site Map, Reports).

New Q&A Owning Vacation Rental Property

The Commission has published a new Q&A brochure - Questions and Answers on: Owning Vacational Rental Property - focusing on basic information that you should have if you or your clients intend to put property on the vacation rental market.

The brochure is now available for purchase at 25 cents a copy through the online publications order form on the Commission website or through an order form on the website and in this Bulletin that may be printed and mailed.
The *North Carolina Real Estate Manual*, published by the Real Estate Commission, is a comprehensive reference addressing real estate law and brokerage practice, North Carolina Real Estate License Law and Commission rules. It serves as the authorized textbook for the real estate broker post-licensing courses and is highly recommended for licensees, attorneys, instructors and anyone else engaged or interested in real estate law and brokerage practice.

### HOW TO ORDER:

**ONLINE**

Go to the Commission’s web site, www.ncrec.state.nc.us, select “Publications/Bulletin” and click on NC Real Estate Manual to link directly with the book distributor. Follow the instructions for ordering using your MasterCard or Visa credit card.

**BY MAIL OR FAX**

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

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

**Fax/Voice Mail:**
1-800-529-9162

**Email:**
manual@ncrec.state.nc.us

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### Order Form

#### NORTH CAROLINA REAL ESTATE MANUAL

| NAME | 
| ADDRESS | 
| CITY/STATE/ZIP | Street (NOT P.O. BOX) |

<table>
<thead>
<tr>
<th>Telephone</th>
<th>Email</th>
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<tr>
<td>Single Manual @ $44.00* (incl. Tax, Shipping)</td>
<td>$ 44.00</td>
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<tr>
<td>Additional Manuals @ $39.00* each (incl. Tax, Shipping) X Quantity</td>
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<td><strong>TOTAL</strong></td>
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- [ ] MasterCard - [ ] Visa

Signature: ____________________________

*Manual sales price is $34.95 plus $2.45 sales tax plus shipping. **Please allow 7 days from receipt of payment for delivery.**
Effective July 1, 2006, most, if not all, brokers-in-charge must take the new Broker-in-Charge Annual Review Course each year in order to remain a broker-in-charge.

The Broker-in-Charge Annual Review is a four-hour elective written by the Commission each year, but taught by the Commission’s approved Update course instructors. All brokers who were designated as a broker-in-charge prior to July 1, 2006 must take the 2006-2007 BIC Annual Review course prior to June 10, 2007.

Only brokers who are, in fact, brokers-in-charge should register for the BICAR course. A list of sponsors teaching the BIC Annual Review course can be found on the Commission’s website under “Continuing Education” and then click on “Schedule.” To register, the broker should contact the sponsor directly.

The 2007-2008 Broker-in-Charge Annual Review course will focus on agency and include discussion of the common law of agency, historical background, requirements of the Commission rules and their implementation in daily brokerage practice. Topics will include the use of the Working with Real Estate Agents brochure, written agency agreements, dual agency and designated agency.

A broker-in-charge who is required to, but fails to take the BIC Annual Review course by June 10 in any given year, will be removed as broker-in-charge the following July 1. While perhaps able to

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**FREE PUBLICATIONS**

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<thead>
<tr>
<th>Questions and Answers on:</th>
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<td>Fair Housing</td>
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<tr>
<td>Tenant Security Deposits</td>
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<td>Condos and Townhouses</td>
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<td>Residential Subdivisions and Planned Communities</td>
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<td>Purchasing Coastal Real Estate in North Carolina</td>
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<tr>
<td>Renting Residential Real Estate</td>
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<tr>
<td>Trato Con Agentes de Bienes Raíces (Working With Real Estate Agents)</td>
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<td>El Depósito de Seguridad del Inquilino (Tenant Security Deposits)</td>
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<td>Alquiler de Inmuebles para Viviendo (Renting Residential Real Estate)</td>
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<tr>
<td>Residential Property Disclosure Statement (Please limit request to one copy; duplicate as needed. Also available on the Commission’s web site.)</td>
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**How To Order:**

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

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

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

**Mail to:**

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

**Fax** 1-919-877-4227

This form for free publications only.

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Please allow 7 days from receipt of order for delivery.
re-designate as a broker-in-charge, the broker will be required to take the 12-hour Broker-in-Charge Course within 120 days of being re-designated.

Generally, any broker designated as a broker-in-charge on or after April 1, 2006 must take the 12-hour Broker-in-Charge course within 120 days of becoming a broker-in-charge, unless the person has had the 12-hour class within the preceding three years. Registration for the BIC Course may be completed online at the Commission’s website, www.ncrec.state.nc.us, under “Course Registration.”

Once a person has completed the Broker-in-Charge Course, he or she may never need to repeat the 12-hour class, so long as he or she always remains a broker-in-charge somewhere. (Note: if the broker is transferring from one office to another with no lapse in status as BIC, he or she may be exempt from the 12-hour class. See Rule A.0110(d)).

Once initial BIC educational requirements are satisfied, the broker must take the Broker-in-Charge Annual Review course each year beginning the first full license year following designation.

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### PURCHASE PUBLICATIONS

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<td>Working With Real Estate Agents</td>
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<td>Home Inspections</td>
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<td>Real Estate Closings</td>
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<td>Owning Vacation Rental Property</td>
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<td>($10 per copy)</td>
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<td>North Carolina Real Estate License Law and Commission Rules</td>
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<td>Real Estate Agent Safety Guide</td>
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NAME: ____________________________________

ADDRESS: ____________________________________

CITY/STATE/ZIP: ____________________________________

Telephone: ___________ Email: ___________

[ ] MasterCard  [ ] Visa

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

Expiration Date

Signature: ____________________________________

Please allow 7 days from receipt of payment for delivery.

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### How To Order:

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

Online: www.ncrec.state.nc.us.

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

Mail to: Commission Publications

P. O. Box 7484

Winston-Salem, NC 27109

Fax: 1-800-529-9162

This form for purchasing publications only.
Postlicensing Education and Broker Transition Guidelines

As thousands of “provisional” brokers near their first deadline for obtaining required postlicensing education, this primer is provided to remind all provisional brokers about their postlicensing education and broker transition requirements. The information is organized into sections for Resident Provisional Brokers and Nonresident Provisional Brokers, and then further organized by license status as shown on licensees’ pocket cards. If you are a provisional broker, check your license status on your pocket card and then locate the information below that applies to you. You should also read the Special Notes section.

Resident Provisional Brokers

**PB Status:** Initially licensed as a “provisional” broker on or after April 1, 2006.

**Requirement:** You must complete 90 hours of postlicensing education in the first three years after initial licensure (minimum of one (1) 30-hour postlicensing course each year by the anniversary date of your initial license issuance).

**Anniversary Dates:** Your annual anniversary (deadline) date for postlicensing education differs from other important dates that affect your license.

<table>
<thead>
<tr>
<th>Announcement</th>
<th>Date</th>
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<tr>
<td>License Renewal:</td>
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<tr>
<td>CE Deadline:</td>
<td>June 10 Annually</td>
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<tr>
<td>Postlicensing Education Deadline:</td>
<td>1st Deadline, 1 Year After Initial Licensure</td>
</tr>
<tr>
<td></td>
<td>2nd Deadline, 2 Years After Initial Licensure</td>
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<tr>
<td></td>
<td>3rd Deadline, 3 Years After Initial Licensure</td>
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<tr>
<td>(Refer to wall license certificate for “Initial Licensure Date”)</td>
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</table>

**Examples of Postlicensing Education Deadline Dates**

<table>
<thead>
<tr>
<th>License Issuance Date</th>
<th>Anniversary Dates for Postlicensing Education</th>
</tr>
</thead>
</table>

**Additional Information About Courses:**

- The three postlicensing courses are: Broker Relationships and Responsibilities; Contracts and Closing; and Selected Topics.
- You must complete all three 30-hour postlicensing courses (90 hours) within three (3) years of your initial licensure in order to terminate the “provisional” status of your broker license and to avoid cancellation of your broker license.
- You may take all three courses during the first or second year after initial licensure and the “provisional” status of your license will be removed upon their completion.
- Postlicensing courses may be taken in any sequence.
- The courses are offered by the same schools that conduct the prelicensing course. [School list is available on the Commission’s website.]
- Schools will report your course completion to the Commission. Do NOT submit course completion certificates to the Commission unless specifically requested.
- You must pass the course final examination to pass the course.
- You will receive no CE credit for a postlicensing course. You must also complete required CE courses prior to the second renewal of your license.

**Consequences of Noncompliance:** Failure to complete required postlicensing education for either the first or second year after license issuance will result in your license being made **inactive**. You would have to take the missed course (and make up any CE deficiency) to be eligible to reactivate. Failure to complete all three postlicensing courses by the end of the third year will result in your license being **canceled**. You would have to take the missed course and meet substantial additional requirements established by the Commission to reinstate your license.
Option #1: Complete the 24-hour Broker Transition Course.

- The course is offered by CE Update course sponsors. [See the CE course schedule under "Continuing Education" on the Commission’s website for scheduled courses.]
- There is no end-of-course examination.
- You will receive CE elective course credit in the license year in which the course is completed.
- The course sponsor will report course completion to the Commission. Do NOT submit course completion certificates to the Commission unless specifically requested.
- The course will only be available until April 1, 2008.

Option #2: Certify to the Commission that you have at least four (4) years full-time (or part-time equivalent) brokerage experience within the six (6) years preceding the date of experience certification.

- Your qualifying experience must have been obtained in North Carolina or another state while your license was on active status and may only include licensed brokerage activities for which a real estate license is required (listing, selling, purchasing, leasing or renting real estate for others for a fee). Experience as a licensed real estate assistant is also acceptable, but experience as a secretary, bookkeeper or manager of a real estate office, or as a leasing agent performing acts exempt from licensure, is NOT acceptable, even if you were licensed at the time.
- Full-time experience means 40 hours of work per week and 2000 hours per year.
- No preliminary opinions will be offered by Commission staff concerning appropriateness of experience.
- Certification may be completed online through the Commission’s website.
- The Commission will “spot check” experience certifications as well as check those that appear questionable.
- If you are not certain that you possess the necessary experience and can document such experience if requested, take the Broker Transition Course.

Consequences of Noncompliance: If you are currently active, your license will be made inactive on April 1, 2008 and you will be required to complete all three 30-hour postlicensing courses plus any required CE to reactivate your license and terminate its provisional status.

(See Nonresident Provisional Brokers, next page)
Nonresident Provisional Brokers

The postlicensing education and broker transition requirements for nonresident provisional brokers (PB, PB9 and PBT status) are the same as shown above for resident provisional brokers. Nonresident provisional brokers should read the information provided for resident provisional brokers having the same license status category. There are, however, some additional options for nonresidents to satisfy the education options and a couple of other differences as noted below. Nonresident provisional brokers who qualify for the experience option described for resident provisional brokers on PBT status may certify their experience in the manner described for such resident provisional brokers.

Options for Nonresidents to Satisfy Education Requirements

Since the Broker Transition Course and the postlicensing courses are only available as live instruction courses in North Carolina, it may not be feasible for most nonresident provisional brokers to come to North Carolina and take these courses. Consequently, the Commission has created some alternative options for fulfilling these education requirements. [NOTE: Options 2 and 3 are not available to North Carolina resident provisional brokers.]

Option #1: Complete the postlicensing courses (PB or PB9) or Broker Transition Course (PBT) in North Carolina.

Option #2: Complete “equivalent” education in another state (PB, PB9 or PBT).

- Licensees on PB or PB9 status must take 90 hours of education in the first three years after initial licensure (minimum of 30 hours each year by the appropriate anniversary or deadline date).
- Licensees on PBT status needing to satisfy the education option must take 24 hours of education by April 1, 2008.
- Courses may include postlicensing education, broker prelicensing education, or CE.
- Courses may be any length. Credit will be awarded for hours completed.
- Courses must be approved by the real estate licensing agency in the other state.
- Postlicensing or broker prelicensing courses must have been taken within three (3) years prior to seeking credit for them.
- Continuing education must have been completed during the same one-year period following initial licensure for which credit is sought (between April 1, 2006 and April 1, 2008 for equivalent Broker Transition Course credit) and must be taken in addition to any courses required to satisfy the licensee’s CE requirement in his/her state of residence.
- Licensee must submit copies of course completion certificates along with a letter including name and NC license number to the Commission, Attention: Postlicensing Education Credit.

Option #3: Obtain a broker license in another state (PB, PB9 or PBT).

- Submit certification of license history showing broker licensure from appropriate state, along with letter including name and NC license number to the Commission, Attention: Postlicensing Education Credit.

Special Notes for All Provisional Brokers

- Termination of Provisional Status. All individual license certificates now indicate that the licensee is a "broker." Status as a PB, PB9 or PBT appears only on license pocket cards. When a broker’s “provisional” status is terminated upon completion of required education (or demonstration of other permitted qualifications), the broker will automatically be sent a new pocket card, but not a new license certificate. The license number will remain the same.

- Reminder Notice. Provisional brokers will be sent one postlicensing education reminder notice approximately 90 days before their anniversary or deadline date. Do not wait until the last minute to obtain needed education!
Following these five steps will enable you to correctly maintain trust account records of disbursements on rental properties.

1. Prepare the trust account check. If the check is for one property ledger, record the applicable ledger on the memo line.

2. If the check pertains to more than one property/owner ledger, prepare a Supplemental Disbursement (Check) Worksheet to detail the property, purpose and amount of the check. This is the basis for an audit trail to the journal and property ledgers.

3. Record the check on the journal. Calculate and record the running journal balance.

4. Post the information on the supplemental disbursement (check) worksheet onto the individual property ledger sheets. Calculate and record the running balance on each property ledger sheet.

5. Reconcile all the individual property ledgers to the journal (i.e., add up the ending running balances on the ledgers and compare to the ending journal balance for agreement).
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.

MARIA B. ALLEN (Elizabeth, New Jersey) – By Consent, the Commission suspended the broker license of Ms. Allen for a period of three years effective November 20, 2006. Six months of the suspension are to be active with the remainder stayed for a probationary period of 30 months. The Commission found that Ms. Allen was convicted of Conspiracy to Distribute and Possess With Intent to Distribute Cocaine in federal district court in the year 2000 and failed the report the conviction within 60 days of final judgment as required by Commission rule. The Commission noted that Ms. Allen reported the conviction in 2006 of her own volition.

DEMONTE C. ALLEYNE (Charlotte) – The Commission revoked the broker license of Mr. Alleyne effective September 29, 2006. The Commission found that Mr. Alleyne, acting as a dual agent for property owners and buyers in a transaction, prepared contracts for a lease/option agreement in an incomplete manner, violating the specific use instructions for the various contract forms he used, and engaging in the unauthorized practice of law; failed to enter in a written buyers agency agreement and failed to present the Working With Real Estate Agents brochure to either party; failed to create and maintain records relevant to the transaction and produce them at the request of Commission staff; and, while representing that he was depositing funds into his trust account, converted $4,700 paid by the buyers to his own use.

DARYL H. BAKER (Charlotte) – By Consent, the Commission revoked the broker license of Mr. Baker effective October 1, 2006. The Commission found that Mr. Baker paid unlicensed individuals and firms for procuring buyers for properties for sale and for procuring tenants for properties belong to his investor clients. The Commission also found that Mr. Baker collected and held earnest money deposits, rents, appraisal fee monies, and tenant security deposits belonging to his clients and customers, but did not deposit these monies in a trust account or safeguard them in accordance with Commission rules.

LOIS W. BLACK (Wadesboro) – By Consent, the Commission suspended the broker license of Ms. Black for a period of 60 days effective March 1, 2007. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Ms. Black served as listing agent for several properties where the purchase prices were inflated from the listing price after contract, while the seller received only the original list price, and failed to adequately review closing statements and contracts relating to the properties to the detriment of both sellers and buyers.

MICHAEL J. BONZAK (Hampstead) – By Consent, the Commission suspended the broker license of Mr. Bonzak for a period of 60 days effective March 1, 2007. The Commission then stayed the suspension for a probationary period of one year. The Commission found that Mr. Bonzak, as broker-in-charge of a real estate brokerage firm, made no effort to oversee trust account procedures: transactions were not recorded with required information, journals did not include running balances and accounts were interest-bearing without proper authority.

LEX I. CARROLL (Kill Devil Hills) – By Consent, the Commission suspended the broker license of Mr. Carroll for a period of two years effective December 1, 2006. One year of the suspension is to be active with the remainder stayed. The Commission found that Mr. Carroll pled guilty on or about June 25, 2002 to two counts of violating the North Carolina Controlled Substances Act.

ARTHUR R. CARTER (Asheville) – By Consent, the Commission revoked the broker license of Mr. Carter effective December 31, 2006. The Commission found that Mr. Carter, as principal/qualifying broker and broker-in-charge of a real estate brokerage firm, failed to produce coherent... (See Disciplinary Action, page 13)
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records for the firm's two trust accounts and converted trust account funds to pay firm operating costs. The Commission also found that Mr. Carter did not obtain written management contracts for rental properties managed on others' behalf. Mr. Carter neither admitted nor denied the Commission's findings.

RACHAEL DOMINESSY (Swan- boro) – By Consent, the Commission revoked the broker license of Ms. Dominessy effective October 1, 2006. The Commission found that Ms. Dominessy, broker-in-charge of a real estate brokerage firm, transferred client and tenant monies from the firm's trust accounts into the firm's operating accounts without authority and that there was a shortfall in the trust accounts. Ms. Dominessy neither admitted nor denied the Commission's findings and conclusions but nevertheless agreed to the revocation of her real estate broker license based upon them.

JEFFREY L. ECLEBERRY (Char- lotte) – The Commission accepted the voluntary surrender of the broker license of Mr. Ecleberry for a period of three years effective January 11, 2007. The Commission dismissed without prejudice allegations that Mr. Ecleberry had violated the Real Estate Law and Commission rules. Mr. Ecleberry neither admitted nor denied misconduct.

EXECUTIVE REALTY, INC. (Fay- etteville) – By Consent, the Commission revoked the firm license of Executive Realty effective January 1, 2007. The Commission found that Executive Realty, as broker and rental agent for the owners of rental real estate, failed to keep complete and accurate records of the funds of others in its possession, did not create a clear audit trail or identify with certainty the ownership of monies, and failed to account for monies to landlord clients.

1ST CHOICE PROPERTIES OF THE TRIAD, INC. (Greensboro) – By Consent, the Commission revoked the firm license of 1st Choice Properties of the Triad effective November 20, 2006. The Commission found that 1st Choice Properties of the Triad failed to produce full and accurate trust account records for Commission review, converted monies belonging to real estate clients to its own use and failed to maintain client monies in a trust account.

DONELL FULLER (Fayetteville) – By Consent, the Commission revoked the broker license of Mr. Fuller effective January 1, 2007. The Commission found that Mr. Fuller, as a broker-in-charge and rental agent for the owners of rental real estate, failed to keep complete and accurate records of the funds of others in his possession, did not create a clear audit trail or identify with certainty the ownership of monies, and failed to account for monies to landlord clients.

GMD PROPERTIES, INC. (Kill Devil Hills) – The Commission accepted the voluntary surrender of the firm license of GMD Properties for a period of three years effective February 1, 2007. The Commission dismissed without prejudice allegations that GMD Properties violated provisions of the Real Estate License Law and Commission rules. GMD Properties neither admitted nor denied misconduct.

MICHAEL W. HEAD (Wilmington) – The Commission accepted the voluntary surrender of the broker license of Mr. Head for a period of one year effective November 27, 2006. The Commission dismissed without prejudice allegations that Mr. Head had violated provisions of the Real Estate License Law and Commission rules. Mr. Head neither admitted nor denied misconduct.

ALAN T. HILL (East Bend) – By Consent, the Commission suspended the broker license of Mr. Hill for a period of three years effective December 14, 2006. Two years of the suspension are to be active with the remainder stayed for a probationary period of one year. The Commission found that Mr. Hill disclosed that he had been convicted of certain criminal offenses on his 1997 license application, but failed to disclose misdemeanor convictions related to driving. The Commission also found that Mr. Hill failed to report in a timely manner subsequent convictions for Felony Possession of Cocaine (2002), and Misdeanor Possession of Drug Paraphernalia, Resisting a Public Officer, Felony Possession of Cocaine and Misdeanor Possession of a Schedule IV Controlled Sub- stance, all in 2003.

WILLIAM ROBERT HUTCHINS (Raleigh) – By Consent, the Commission revoked the broker license of Mr. Hutchins effective January 1, 2007. The Commission found that on November 15, 2006, Mr. Hutchins reported to the Real Estate Commission that on August 30, 2006, he was convicted in district court of the criminal offense of prostitution. The Commission also found that Mr. Hutchins declined to provide the Commission's representatives with a response to a Letter of Inquiry about the matter.

CATHY H. JACKSON (Wadesboro) – By Consent, the Commission accepted the voluntary surrender of the broker license of Ms. Jackson for a period of two

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.
Disciplinary Action (Continued from page 13)


EVAN N. KELLEY, JR. (Sapphire) – The Commission accepted the voluntary surrender of the broker license of Mr. Kelley for a period of two years effective the November 21, 2006. The Commission dismissed without prejudice allegations that Mr. Kelley had violated provisions of the Real Estate License Law and Commission rules. Mr. Kelley neither admitted nor denied misconduct.

TERRENCE LLEWELLYN (Charlotte) – By Consent, the Commission revoked the broker license of Mr. Llewellyn effective January 15, 2007. The Commission found that Mr. Llewellyn, acting on his own account as buyer and borrower, submitted erroneous information about his income in applying for mortgage loans in two real estate transactions. The Commission noted that Mr. Llewellyn satisfied the lender concerning the matter after the lender discovered the erroneous information.

L’ORANGE I, LLC (Charlotte) – By Consent, the Commission permanently revoked the firm license of L’Orange effective January 10, 2007. The Commission found that L’Orange, a real estate brokerage firm, failed to produce transaction and trust account records when requested to do so by the Commission.

ADEA MACGREGOR (Chapel Hill) – By Consent, the Commission suspended the broker license of Mr. MacGregor for a period of two years effective April 1, 2007. The Commission found that Mr. MacGregor, as broker-in-charge and president of a real estate brokerage firm, was entrusted with earnest money and other funds belonging to clients and customers but failed to deposit and maintain the funds in a trust account, failed to create and keep proper records of the trust account, and failed to make the records available for inspection by the Commission.

MACGREGOR AND COMPANY REALTY, INC. (Chapel Hill) – By Consent, the Commission revoked the firm license of MacGregor and Company Realty effective January 15, 2007. The Commission found that MacGregor and Company Realty was entrusted with earnest money and other funds belonging to clients and customers but failed to deposit and maintain the funds in a trust account, and failed to create and keep proper records of the trust account, and failed to make its records available for inspection by the Commission.

LOLA H. MONROE (Greensboro) – By Consent, the Commission revoked the broker license of Ms. Monroe effective February 8, 2007. The Commission found that Ms. Monroe, a resident of Georgia and qualifying broker and broker-in-charge of a North Carolina real estate firm, permitted a previously revoked licensee to run the business. The Commission also found deficiencies in the firm’s trust account records including a lack of ledgers, running balances, accurate deposit records and monthly reconciliations, and that the firm had a shortage of at least $8,000.

P & M REALTY & CONSULTING COMPANY, LLC (Greensboro) – By Consent, the Commission revoked the firm license of P & M Realty and Consulting effective February 8, 2007. The Commission found that P & M Realty and Consulting had deficiencies in the firm’s trust account records including a lack of ledgers, running balances, accurate deposit records and monthly reconciliations, and that its accounts had a shortage of at least $8,000.

PATRICIA L. PARR (Greensboro) – By Consent, the Commission revoked the broker license of Ms. Parr effective November 20, 2006. The Commission found that Ms. Parr failed to produce full and accurate trust account records for Commission review, converted monies belonging to real estate clients to her own use and failed to maintain client monies in a trust account.

HOYLE PENEGAR (Monroe) – By Consent, the Commission suspended the broker license of Mr. Penegar for a period of 90 days effective December 1, 2006. The Commission found that Mr. Penegar, during 2004, while a state-certified appraiser, valued a property and improvements at $160,000 without documenting in his appraisal report the basis for his conclusion.

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opinion as required by the Uniform Standards of Professional Appraisal Practice and the rules promulgated by the North Carolina Appraisal Board. The Commission also found that on March 23, 2006, the Appraisal Board suspended the appraisal certificate of Mr. Penegar pending completion of certain professional appraisal education and that Mr. Penegar did not complete the education required and discontinued his appraisal practice.

DEAN D. PISTOR (Asheville) – By Consent, the Commission reprimanded Mr. Pistor effective January 1, 2007. The Commission found that Mr. Pistor, in his salesperson application, failed to disclose a 1989 conviction for impaired driving and in his broker application, a 1992 conviction for assault on a female, as required by Commission rule.

JOHANNA W. PROCK (Asheville) – By Consent, the Commission reprimanded Ms. Prock effective November 1, 2006. The Commission found that Ms. Prock failed to report 1995 convictions on her 2002 salesperson license application for misdemeanor Assault on a Government Official and Injury to Person Property and failed to disclose a 1996 conviction for Giving Fictitious Information to a Police Officer. The Commission noted that Ms. Prock subsequently reported the convictions of her own volition and cooperated with the Commission's inquiry.

REAL ESTATE GROUP OF ASHEVILLE, INC. (Asheville) – By Consent, the Commission suspended the firm license of Real Estate Group of Asheville for a period of two years effective December 31, 2006. The Commission then stayed the suspension for a probationary period of two years on certain conditions. The Commission found that the firm’s qualifying broker/broker-in-charge, failed to produce coherent records for the firm’s two trust accounts and converted trust money to pay firm operating costs. The Commission also found that neither the qualifying broker nor the firm maintained written management contracts for certain rental properties managed on others’ behalf. Real Estate Group of Asheville neither admitted nor denied the Commission’s findings.

RESIDENTIAL ASSET MANAGEMENT I, LLC (Charlotte) – By Consent, the Commission permanently revoked the firm license of Residential Asset Management effective January 10, 2007. The Commission found that a salesperson associated with Residential Asset Management paid unlicensed individuals for procuring buyers for property and failed to deposit client funds into the firm’s escrow account and instead deposited them into his personal account.

LISA A. SALOMON (Mooresville) – By Consent, the Commission suspended the broker license of Ms. Salomon for a period of two years effective December 5, 2005. One year of the suspension was active, with the remainder stayed for a probationary period of one year on certain conditions. The Commission found that during 1998, Ms. Salomon entered into an agreement with an investor to transfer real property into a corporation in which the investor would have a 50% interest, in exchange for a capital contribution to a proposed business venture. The Commission found that the investor made the capital contribution but that Ms. Salomon did not convey the property as she had promised, and instead conveyed it to her in-laws. The Commission also found that the investor sued Ms. Salomon, and the court set aside the conveyance as fraudulent.

KRISTA PAIGE HOFSTRA SANDS (Gastonia) – By Consent, the Commission suspended the broker license of Ms. Sands for a period of two years effective November 15, 2006. Forty five days of the suspension were active with the remainder stayed under certain conditions. The Commission found that Ms. Sands used her multiple listing service key to enter a property without permission of the owner as required by the multiple listing service. The Commission also found that during the time that Ms. Sands was in the home she took items of personal property from the home.

LEE S. SMITH, JR. (Asheville) – The Commission revoked the broker license of Mr. Smith effective December 14, 2006. The Commission found that Mr. Smith made false statements and provided false information to the Commission about his criminal convictions in connection with his broker and firm license applications and failed to report to the Commission the crimes of which he had been convicted. The Commission also found that Mr. Smith failed to report to the Commission within the required time approximately three convictions occurring after August 1, 1996, the effective date following which licensees are required to report any convictions of a criminal offense within 60 days of final adjudication.

SAMUEL I. SMITH (Kill Devil Hills) – The Commission accepted the voluntary surrender of the broker license of Mr. Smith for a period of three years effective February 1, 2007. The Commission dismissed without prejudice allegations that Mr. Smith violated provisions of the Real Estate License Law and Com-

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mission rules. Mr. Smith neither admitted nor denied misconduct.

TIMOTHY M. THOMAS (Surf City) – By Consent, the Commission suspended the broker license of Mr. Thomas for a period of six months effective November 20, 2006. The Commission then stayed the suspension for a probationary period of six months. The Commission found that Mr. Thomas failed to report a 1989 DWI conviction and two 1999 simple assault convictions on his 1999 salesperson license application. The Commission noted that Mr. Thomas disclosed them on his 2005 broker license application.

ROBERT A. VOLLES (Charlotte) – By Consent, the Commission permanently revoked the broker license of Mr. Volles effective January 10, 2007. The Commission found that Mr. Volles, as broker-in-charge in 2003 of a real estate brokerage firm, failed to supervise a salesperson associated with the firm who paid unlicensed individuals for procuring buyers for property and failed to deposit client funds into the firm’s escrow account and instead deposited them into his personal account. The Commission also found that Mr. Volles, as broker-in-charge in 2001 of a home building firm, participated in a transaction in which the closing statement indicated that the firm provided the buyer with owner financing in the amount of $100,000, when, in fact, the firm did not provide any financing. The Commission further found that, approximately one year after closing, Mr. Volles certified to the Mecklenberg County Register of Deeds that the buyer had repaid the owner financing in full, a statement which was false. Finally, the Commission found that Mr. Volles was broker-in-charge of a real estate brokerage firm from November 2002 to June 30, 2006, and Mr. Volles failed to produce transaction and trust account records when requested to do so by the Commission.

VERNIECEE WHITAKER (Winston-Salem) – The Commission revoked the broker license of Ms. Whitaker effective January 11, 2007. The Commission found that Ms. Whitaker, acting as a buyer’s agent, communicated to her buyer that the buyer’s offer to purchase a newly constructed house had been accepted by the seller when it had not, and provided the buyer with the keys from the lockbox, when no such authorization had been granted. The Commission also found that Ms. Whitaker faxed a forged contract to her broker-in-charge using a copy of the seller’s signature from another contract and, when asked to provide the original documents, eventually admitted there were none. The Commission noted that Ms. Whitaker’s firm reimbursed the buyer’s earnest money and moving expenses.