North Carolina Real Estate Commission

REAL ESTATE BULLETIN

Volume 47 • October 2016 • Number 2

Commission Proposes New, Revised Rules

The Commission approved rulemaking at its August meeting. The proposed rules shall have an effective date of July 1, 2017, except for rules 21 NCAC 58A .0511 and .0512, which will have an effective date of July 1, 2018. The following is a summary of the proposed amendments and rule adoptions:

Section A .0100 Real Estate Brokers – General Brokerage:

21 NCAC 58A .0101 – Proof of Licensure - The amendments are proposed to allow the use of electronic pocket cards as proof of licensure and to merge the requirements of A .0509, to submit a $5 duplicate license fee, into this Rule.

21 NCAC 58A .0103 – Broker Name and Address - The amendments are proposed to add a requirement that brokers changing their name of record must show legal proof of such name change; to comply with S.L. 2016-100 (SB 124) the Assumed Business Act recently passed by the General Assembly; and to clarify the use of an unlicensed person's name as a tradename.

(See **Rules**, *page 8)*

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Commission Elects George Bell, Chair, Robert J. Ramseur, Jr., Vice Chair

George Bell of Winston-Salem has been elected Chair and Robert J. Ramseur, Jr., of Raleigh, Vice Chair, of the North Carolina Real Estate Commission for the term beginning August 1, 2016, announced Miriam J. Baer, Executive Director.

Bell is Principal Broker and Broker-In-Charge of the Bell First Group, a real estate brokerage firm, and president of George Bell Productions, Ltd., a real estate education firm serving real estate brokers across North Carolina.

Bell entered the real estate business in 1978, following graduation from East Carolina University with a BS in Business Administration, with concentrations in real estate and banking.

Bell was inducted into the North Carolina Association of REALTORS® Hall-of-Fame in 2014, and served as the 2010 president of the Winston-Salem Regional Association of REALTORS® and its 2009 REALTOR®-of-the-Year.

In 2012, he received the Billie J. Mercer Excellence in Education Award from the North Carolina Real Estate Commission and the Educator of the Year Award from the North Carolina Real Estate Educators Association

Bell

Ramseur

(NCREEA). He is a past president of the both the state and international Real Estate Educators Associations.

Ramseur is a partner at the law firm of Ragsdale Liggett PLLC and chair of its real estate department. His practice focuses on residential and commercial real estate transactions, real estate financing and development, tax and entity structuring, lease negotiations and drafting and real estate litigation.

Licensed to practice law in North Carolina in 1996, Ramseur formed his own firm in 1997 and merged his practice with Ragsdale Liggett in 2001. He

(See **Commission**, *page 8)*

CFPB to Ease Access To TRID Closing Disclosure

ARELLO® (Association of Real Estate License Law Officials) Reprinted courtesy of ARELLO Boundaries magazine

The Consumer Financial Protection Bureau CFPB) recently issued proposed amendments to its TILA-RESPA Integrated Mortgage Disclosure forms and rules, one of which is intended to clarify that lenders are permitted to provide the required Closing Disclosure to real estate agents.

The new disclosures (commonly referred to as "TRID", but dubbed "Know Before You Owe" by the CFPB) replaced the previous disclosure forms required in all "federally-related" mortgage transactions, including the "HUD-1" settlement statement, with the CFPB's residential mortgage Loan Estimate and Closing Disclosure forms.

Since the implementation of the TRID rules nearly a year ago, many real estate agents have experienced difficulties in obtaining copies of completed Closing Disclosure forms from lend-

(See **TRID Closing**, *page 7)*

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.

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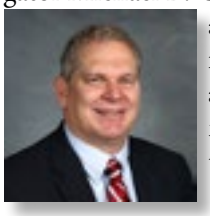
Staff Update

Michael Gray Receives Fraud Investigator Award

Commission Chief Auditor/Investigator Michael B. Gray is the recipient of an award for his work from the International Association of Financial Crimes Investigators (IAFCI).



The IAFCI selected as its Task Force of the Year a group including Gray. The award was presented to the Task Force and Gray at the IAFCI annual conference in Ft. Lauderdale, Florida.

The Task Force identified for this particular award was involved in the investigation and prosecution of a multi-million dollar mortgage fraud scheme out of the Waxhaw, North Carolina area. Gray's work has been instrumental in this and other mortgage fraud investigations, increasing the Commission's ability to make a difference in situations in which licensed real estate brokers have actively participated in fraud.

The IAFCI is a non-profit international organization providing services and an environment within which information about financial fraud, fraud investigation, and fraud prevention methods can be collected, exchanged and taught. It provides investigators with national and international investigative capabilities to establish effective financial crime programs.

There are chapters across the US, Canada, Europe, Central and South America, Africa and Asia, and members include all levels of law enforcement, prosecution, security and other segments of the financial transaction industry. They provide training and information about financial crimes and a network to track individuals internationally.

The North Carolina Real Estate Commission would like to thank the IAFCI for their consideration of this Task Force and the United States Attorney's Office, Western District of North Carolina, Charlotte Division, for working with Commission staff to fight mortgage fraud in North Carolina.

People

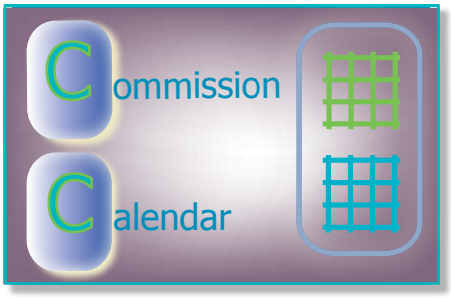
Marcia M. Waldron has been employed as Auditor/Investigator in the Regulatory Affairs Division. A Certified Public Accountant, she holds a BS in Business Administration from the University of Tennessee. Prior to joining the Commission, she worked as a real estate broker and in financial management.

Appearances

Miriam J. Baer, Executive Director, and **Janet B. Thoren,** Legal Counsel and Director, Regulatory Affairs Division, spoke to the property management division at the North Carolina Association of REALTORS® convention.

Bruce W. Moyer, Director of Education and Licensing, presented *Taking Your Instruction to New Heights* and a one-hour workshop, *Planning Your In-*

(See **Appearances**, *page 3)*



October 12
November 9
December 14
January 18
February 15

All meetings, unless otherwise noted, begin at 9:00 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.

Appearances

(Continued from page 2)

structor Journey. Deborah B. Carpenter, Education & Examination Officer, presented *What's Reality Got To Do With It? [Teaching with Relevance]*; and Corean E. Hamlin, Education & Licensing Officer, presented *How to Earn your DREI Designation* and *Overcoming Current Challenges in Education* at the Real Estate Educators Association Conference in Denver, Colorado.

Charlene D. Moody, Legal Counsel and Assistant Director of Regulatory Affairs, spoke to the Charlotte Regional REALTORS® Association.

Frederick A. Moreno, Deputy Legal Counsel, spoke to the Greenville Association of REALTORS®.

Eric A. Mine, Associate Legal Counsel II, spoke to Weichert Realtors® - Triangle.

Jean Wolinski-Hobbs, Auditor/Investigator, spoke to Don Johnson Realty in Cary.

Stephen L. Fussell, Senior Consumer Protection Officer, spoke to the Winston-Salem Regional Association of REALTORS®.

Sarah E. Herman, Consumer Protection Officer, spoke to the Allen Tate Company in Charlotte and Raleigh, and to Don Johnson Realty in Cary.

Glenn M. Wylie, Consumer Protection Officer, spoke to the Allen Tate Company in Charlotte, to the Triangle Commercial Association of REALTORS®, and to Weichert Realtors® Reban & Associates in Charlotte.

Peter B. Myers, Information Officer, spoke to a company-wide Re/Max meeting in Charlotte.

Elizabeth W. Penney, Information Officer, spoke to the board of the Johnston County Association of REALTORS®.

Follow us on

Broker-in-Charge and Basic Trust Account Procedures Courses

Register online at the Commission Web site, *www.ncrec.gov,* under Education/Course Registration.

Broker-in-Charge Course (Two days) Day 1: 1 - 5 p.m.; Day 2: 8:30 a.m. - 5:30 p.m.		
Asheville	Holiday Inn East/Blue Ridge Parkway	November 28-29
Concord	Hilton Garden Inn, Concord	November 14-15
Greensboro	Deep River Event Center	December 13-14
Raleigh	McKimmon Center	Octobr 31-November 1 December 5-6
Wilmington	Best Western Coastline Center	October 18-19
Basic Trust Account Procedures (Commission Offices, Raleigh) (All classes 1 - 5 p.m.)		
Raleigh	Commission Offices 1313 Navaho Drive, Raleigh	November 11 December 12 January 9 February 13

See Commission Web site to confirm course dates.

Lengthy Process Guides Path To Making of Commission Rules

By Robert A. Patchett, Associate Legal Counsel I

Laws are passed by the General Assembly and usually signed by the governor. Rules, however, are adopted by administrative agencies to clarify laws and processes for compliance and have the effect of law. Rulemaking is the process by which the Commission adopts, amends, or repeals rules.

There are three different processes for rulemaking:

- permanent rulemaking,
- temporary rulemaking, and
- emergency rulemaking.

Permanent rulemaking is the process used most often by the Commission so it will be the focus of this article. Temporary and emergency rules are used only in rare situations to reduce the time required for a rule to become effective, and are not meant to be permanent. They must be followed by a permanent rulemaking.

Starting the Process - To start a permanent rulemaking, the Commission proposes rule text and sends it to the Office of Administrative Hearings ("OAH"). OAH publishes the text in the North Carolina Register. It is also published on the Commission's website. Publishing provides notice to interested parties that the Commission is considering amending or adopting a rule.

Public Comment - Once the rule text is published, there are two opportunities for the public to comment on the text. Comments can be submitted to the Commission during a sixty day comment period, or at a public hearing held shortly after the rule text is published. The comment period and public hearing provide interested parties with the opportunity to express support or opposition for the proposed rule.

Commission Adoption - After the comment period and public hearing have passed, the Commission must consider all of the comments and decide whether to adopt the proposed rule text, make a change to the rule text, or reject the rule text. Rejecting the rule text ends the process. If, based on the comments, the Commission makes a substantial change to the initial proposed rule text, then the new proposed rule text is republished and another sixty-day comment period is initiated. If the Commission makes more changes or adopts the rule text as written, then the proposed rule is sent to the Rules Review Commission ("RRC").

Rules Review Commission - The RRC reviews proposed rules to ensure agencies follow rulemaking requirements, that each rule's purpose and language are clear, and that the Commission has the legal authority to make a specific rule. Rules are closely scrutinized by the RRC and it can either approve or object to a rule. If the RRC objects, then the Commission has the opportunity to either revise the proposed rule or end the rulemaking process. After the RRC approves a rule, it is entered into the North Carolina Administrative Code and will usually be effective either the first day of the next calendar month or on a specified day, such as July 1 of a given year.

Allan R. Dameron Legal Internship Award

Garret J. Rider of Apex, a second-year law student at the University of North Carolina School of Law, is the recipient of the 2016 Allan R. Dameron Legal Internship Award. Commission Chair Cindy S. Chandler and Vice Chair (now Chair) George Bell presented the award at the Commission's July meeting. The Internship is awarded annually in memory of and tribute to former Commission Chair Dameron for his dedicated service in protecting the interests of consumers.

NEW VIDEOS

PRIVILEGE LICENSE *There is* Vs BROKER LICENSE *a difference.*

By Debbie J. Slaughter, Auditor/Investigator

And the difference is, a broker license is something every individual and business entity needs to perform real estate brokerage services like sales or property management in North Carolina. The broker real estate license for individuals and firms is administered by the Real Estate Commission and must be renewed yearly on or before June 30 through the Commission. For more information on the broker and/or firm license go to the Commission's website, www.ncrec.gov.

A state privilege license is also required to do certain types of business activities within North Carolina. This license is personal and is not issued in the name of a firm or corporation. Individual real estate brokers are specifically required to obtain a privilege license under NCGS §105-41(a)(8); however, a licensed broker who is also a licensed appraiser is only required to get one privilege license which will cover both activities. The state privilege license is governed by the Department of Revenue and must also be renewed yearly by July 1. There are a few, very limited exemptions from the state privilege license requirement which can be found under NCGS §105-41(b). In order to apply for a privilege license, you must go to the Department of Revenue's website, http://www.dor.state.nc.us/downloads/privilege.html. Once this state privilege license has been granted, you must pay an annual tax on July 1st. This tax is not prorated and there are penalties for failure to pay.

NCGS §160A-194, effective July 1st, 2015, limited the authority of cities to require an additional license for persons holding a license issued by an occupational licensing board. Brokers should still confirm with their city or county whether any other additional local permits are needed to conduct business in that location. Go to your city or county website for further information.

Remember: Before conducting real estate brokerage services you must: (1) obtain an individual and/or firm license from the NC Real Estate Commission; AND (2) obtain a state privilege license from the NC Department of Revenue. Once you have these licenses, mark your calendar to renew your broker license by June 30 of each year and to renew your privilege license and pay the yearly tax by July 1st.

Commission Receives Commercial Education Award

By Bruce W. Moyer, Director, Education and Licensing

The ARELLO® Education Certification Committee has selected the North Carolina Real Estate Commission's Broker-in-Charge Update Course, Commercial Version 2015-2016 for a Continuing Education Award. The award will be presented at the Annual Conference in Vancouver, BC on September 23, 2016.

The awards are presented each year in recognition of outstanding systems and educational programs that contribute to the real estate industry, promote public protection and might be adapted to benefit licensees and consumers in other ARELLO® member jurisdictions. Courses are evaluated on the basis of concept, methodology, quality and benefits to the targeted audience.

The Broker-in-Charge Update Course, Commercial Version 2015-2016, represents a collaborative, public-private partnership between the Commission and two commercial real estate professionals to create a commercial version of the Broker-in-Charge Update course. For the previous 15 years, Ms. Cindy Chandler, CCIM, CRE, Commission Member and Mr. Garth Dunklin, JD, CCIM, CRE, have modified the Commission's annual Update courses to target a historically underserved segment of the active brokerage community (commercial brokers) by providing dynamic commercial brokerage curriculum content and examples. This course emphasizes practical information and education that can be immediately used in commercial real estate brokerage practice.

This course provides multiple benefits for attending brokers. Among these are direct and specific answers to difficult and complicated questions regarding new settlement disclosures, sales of vacation rentals, changes in Commission rules, contracts, and addenda (both residential and commercial), real estate agent safety, licensing and education reviews, handling complaints, handling trust monies, and broker-in-charge requirements, all from a commercial brokerage perspective.

The North Carolina Real Estate Commission would like to thank the ARELLO® Education Certification Committee for their time in reviewing and awarding the 2016 Continuing Education Award for the Broker-in-Charge Update Course, Commercial Version 2015-2016.

Drones

Do's and Don'ts

By Frederick A. Moreno
Deputy Legal Counsel

FAA adopts rules effective August 29, 2016 for small drones in commercial use.

On August 29, 2016, new federal rules went into effect for the operation of small Unmanned Aircraft Systems ("sUAS") in the National Airspace System ("NAS"). These rules, referred to as "Part 107", have been added to Title 14 of the Code of Federal Regulations, which governs aviation. These rules DO NOT apply to sUAS that are being flown strictly for hobby or recreational use which are considered Model aircraft. Part 107 regulations focus on the personnel, equipment, and operation of sUAS being flown in the NAS for anything other than hobby or recreational use. Such activities include research and development, aerial photography, education and academic uses.

Personnel

Under the new rules, a pilot's license is no longer required to operate sUAS. Now, a person can instead obtain a remote pilot certificate issued by the Federal Aviation Administration ("FAA"). To qualify for a remote pilot certificate, a person must: pass an initial aeronautical knowledge test, be vetted by the Transportation Security Administration ("TSA"), and be at least 16 years of age. Thereafter, a pilot must pass a recurrent aeronautical knowledge test every twenty-four (24) months. In lieu of taking the test, a person may demonstrate their aeronautical knowledge by holding an active pilot's license, completing a flight review within the previous twenty-four (24) months, and completing an online training course provided by the FAA. A person may not operate the sUAS if they know or have reason to know that they have a physical or mental condition that could interfere with its safe operation. The person operating the sUAS is required to understand airspace classifications and requirements.

Equipment

To be considered an sUAS, the aircraft must weigh less than fifty-five (55) pounds, including everything that is onboard or otherwise attached to the aircraft. Prior to operation, the sUAS must first be registered with the FAA. The operator must also keep up with the maintenance and repair schedule of the sUAS, is required to keep certain documents and records regarding the aircraft, and must make these documents and records available to the FAA upon request. Furthermore, the operator is required to verify that the aircraft is in a condition of safe operation prior to flight.

Operation

Most of the new rules deal with the operation of the sUAS. Some of these new rules are:

- During operation, the aircraft must remain within the pilot's visual line-of-sight, unaided by devices such as binoculars or telescopes;
- The aircraft should be operated during daylight hours;
- Maximum speed of the aircraft may not exceed 100 mph;
- The aircraft may not be flown above an altitude of 400 feet above ground level;
- There must be at least three (3) miles of weather visibility from the control station;
- No operation is allowed from a moving vehicle or aircraft;
- The pilot must not operate the sUAS in a careless and reckless manner;
- The sUAS may not carry hazardous materials;
- The sUAS may not operate over any persons not directly participating in the operation nor may it operate under a covered structure
- If operation results in serious injury, loss of consciousness, or property damage of $500 or more, the incident must be reported to the FAA within ten (10) days

Most of the restrictions above are waivable if the applicant demonstrates that the operation can safely be conducted under the terms of a certificate of waiver.

The above rules are some of the new provisions that are now in effect. For a complete summary of the rules, see: https://www.federalregister.gov/documents/2016/06/28/2016-15079/operation-and-certification-of-small-unmanned-aircraft-systems.

Caution to Brokers

Even though you may be licensed to operate the aircraft and it is properly registered with the FAA, you could still be violating local and State laws regarding privacy by operating the sUAS. Therefore, you should be knowledgeable about local and State laws regarding photography, transportation of goods, or any other intended uses of the sUAS.

Broker Numbers

As of September 1, 2016, there are 94,557 brokers licensed by the Real Estate Commission in the following categories:

Active Brokers 59,708
(Active Provisional Brokers 6,822)
Inactive Brokers 23,912
(Inactive Provisional Brokers 4,879)
Firms 10,937
Brokers-in-Charge 15,942

TRID Closing

(Continued from page 1)

ers. The issue involves lender concerns about potential liabilities arising under the privacy provisions of the federal Graham-Leach-Bliley Act (GLBA), which prohibit lenders from disclosing customers' "nonpublic personal information" (NPI) to nonaffiliated third parties without providing customers with notice and an opportunity to opt-out of such disclosure.

[The Closing Disclosure has also raised questions in some state real estate regulatory jurisdictions whose licensing laws require brokers to ensure that transaction parties receive a closing statement. [See, *Real Estate Bulletin* February 2016]

In its proposed rulemaking notice the CFPB acknowledges that prior to implementation of the TRID rules, the Real Estate Settlement Procedures Act and its implementing regulations required settlement agents to issue a HUD-1 form to lenders, borrowers, sellers, and their agents. The CFPB also recognizes that many transaction participants rely on shared information to complete residential transactions; including real estate agents, loan officers, settlement agents and others. Consequently, the CFPB proposes to amend its rules to acknowledge that, in accordance with applicable exceptions to the privacy requirements of the GLBA, it is "usual, appropriate, and accepted" for creditors and settlement agents to provide the combined or separate Closing Disclosure to transaction parties and their real estate brokers or other agents. This will be accomplished by incorporating the CFPB's previous informal guidance on the subject into the official rule commentaries to clarify that the lender, at its discretion, "may make modifications to the Closing Disclosure form to accommodate the provision of separate Closing Disclosure forms to the consumer and the seller...". The commentaries will also explain the methods by which creditors can separate buyers' and sellers' information for that purpose.

Other changes proposed by the CFPB include:

"Total of Payments" Tolerances: The TRID rules changed the previous "total of payments" disclosure calculation so that it did not make specific use of the finance charge. The CFPB now proposes to include tolerance provisions that return the calculation to what it was prior to implementation of the TRID rules.

Housing Assistance Lending: The CFPB proposes to promote housing assistance by amending the current partial exemption from the disclosure requirements for certain housing assistance loans, to allow charges for recording fees and transfer taxes.

Cooperatives: Currently, the TRID rules only cover transactions secured by real property, as defined under state law. Buyers of units in a cooperative, however, become a shareholder in a corporation that owns the property. Some states treat cooperative units as personal property, while others treat them as real property. The CFPB proposes to extend the TRID rules to cover all cooperative units, thereby simplifying compliance.

The CFPB is seeking public comment on the proposals, which include numerous other technical changes to the disclosure forms and rules. Comments are due Oct. 18, 2016 and may be submitted by several means including electronically via www.regulations.gov.

Know Before You Owe mortgages

Real Estate Commission Scholarship Winners

Three North Carolina brokers received scholarships from the Commission at its July meeting for academic excellence in real estate courses.

Anne Wilson Hult, Swansboro, received the *Blanton Little Memorial Scholarship* from then Commission Chair Cindy S. Chandler and then Vice Chair (now Chair) George Bell.

Desi

Michael William Stearns, Charlotte (left), received the *Phillip T. Fisher Scholarship*, which was presented by Fisher, Commission Executive Director from 1981 to 2010.

Zoltan Desi, Etowah, not present, received the *Joe Schweidler Memorial Scholarship*. Little and Schweidler were former Secretary-Treasurers.

Winners received reimbursement of course tuition fees. Desi and Hult were selected by the North Carolina Association of REALTORS® for achievement in the Graduate Realtor® Institute (GRI) program. Stearns was selected by the North Carolina chapter of the Council of Real Estate Specialists for achievement in the Certified Residential Specialists (CRS) program.

Schools and Instructors Outstanding Examination Performance Records July 1, 2015 - June 30, 2016

The North Carolina Real Estate Commission monitors applicant performance on the license examination and regularly reports this information to schools and instructors. In particular, the Commission uses information about the performance of applicants who are taking the license examination for the first time in order to assure that quality instruction is being provided in prelicensing courses by schools and instructors. The most recent performance record for each school can be found on the Commission's website at https://www.ncrec.gov/Pdfs/Schools/LicExamPerfRep.pdf.

The overall examination performance for all first-time candidates taking the comprehensive real estate examination for the license year July 1, 2015 – June 30, 2016 was 54%. The Commission congratulates each of the following schools and instructors for achieving an outstanding examination performance record of 80% or higher during the most recent annual reporting period. The Commission recognizes that to have students perform at such a level on the license examination requires a combination of high quality instruction and high course completion standards.

School

Alamance Community College, *Graham;* Lenoir Community College, *Kinston*; Pitt Community College, *Greenville*; Carteret Community College, *Morehead City*; Gaston College, *Dallas*; Weichert, Realtors-Mark Thomas Properties Real Estate School, *Durham*; Terry Farr Real Estate School, *Fayetteville;* Cape Fear Community College, *Castle Hayne*; Sandhills Community College, *Pinehurst*.

Instructors

Kandyce Ellis Michelle Fordham Larry Lee Elizabeth O'Neal James Weese Christine Darden Violet Harrington Jo Ann LaVecchia Ben Wirtz Leslie Hughes Laurel Pettys Christopher Bartlett Allan Nanney, Jr.

Commission

(Continued from page 1)

is licensed to practice in all state courts, the District Court of the United States for the Eastern District of North Carolina), and the U.S. Supreme Court.

He is past president of the Wake County Real Property Lawyers Association, past co-chair of the Joint Forms Task Force for the North Carolina Bar Association and North Carolina Association of REALTORS®, and past president of the Real Estate Lawyers Association of North Carolina, Inc., a trade association with over 350 members.

A native of Raleigh, Ramseur graduated with honors from Needham B. Broughton High School and received a Bachelor of Arts in History, cum laude, from Wake Forest University in 1992 and a law degree from Wake Forest in 1995.

Active in civic and charitable activities, he is a past president of the Rotary Club of the Capital City and the Board of Directors of Raleigh's Theatre In The Park and participates each year as a fund raising volunteer for the Triangle Area YMCA.

Rules

(Continued from page 1)

21 NCAC 58A .0106 – Deliver of Instruments - The amendments are proposed to clarify a broker's responsibility to deliver information regarding the identity of current or former tenants to property owner clients.

Section A .0300 - Application for Licensure:

21 NCAC 58A .0302 – Filing and Fees - The amendments are proposed to comply with S.L. 2016-117 (HB 728) that increased the broker's application fee from $30 to $100.

21 NCAC 58A .0304 – Equivalent Experience Qualifications for Applicants - The amendments are proposed to clarify Prelicensing education waiver requirements.

Section A .0500 - Licensing:

21 NCAC 58A .0502 – Business Entities - The amendments are proposed to clarify that the qualifying broker is affiliated with the firm so that they receive notice if a broker-in-charge were to withdraw their designation and to require brokers to disclose the banking institution where their trust accounts will be held.

21 NCAC 58A .0503 – License Renewal; Penalty for Operating While License Expired - The amendments are proposed to require brokers to disclose the banking institution where their trust accounts are held each time they renew their license and any criminal convictions or disciplinary actions within the previous year.

21 NCAC 58A .0505 – Reinstatement - The amendments are proposed to comply with S.L. 2016-117 (HB 728) that changed a broker's reinstatement application fee to an amount equal to two times the license renewal fee instead of the previous reinstatement fee of $55 and to clarify the requirements for a broker to reinstate a license.

21 NCAC 58A .0509 – Duplicate License Fee - The amendments are proposed to merge this Rule into A .0101, Proof of Licensure, and to repeal this Rule.

21 NCAC 58A .0511 – Licensing of Persons Licensed in Another Jurisdiction - The amendments are proposed to create a temporary practice permit for military spouses pursuant to N.C.G.S. § 93B-15.1.

21 NCAC 58A .0512 – Death or Incapacity of Sole Proprietor

The adoption of a rule is proposed to create a succession plan if a broker were to become deceased or become incapacitated while serving as a broker-in-charge of a sole proprietorship.

21 NCAC 58A .1905 – Waiver of 90-Hour Postlicensing Education Requirement

The adoption of a rule is proposed to clarify the Postlicensing education waiver requirements.

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	_____
N.C. Military Personnel Residential Lease Termination	_____
Trato Con Agentes de Bienes Raíces (Working With Real Estate Agents)	_____
Preguntas y Respuestas sobre: (Questions and Answers On:)	
Vivienda Justa (Fair Housing)	_____
El Depósito de Seguridad del Inquilino (Tenant Security Deposits)	_____
Alquiler de Inmuebles para Viviendo (Renting Residential Real Estate)	_____
Real Estate Licensing in North Carolina	_____
Residential Property Disclosure Statement (Available Online)	_____
Mineral and Oil and Gas Rights Mandatory Disclosure Statement	_____

How To Order:

Online: www.ncrec.gov

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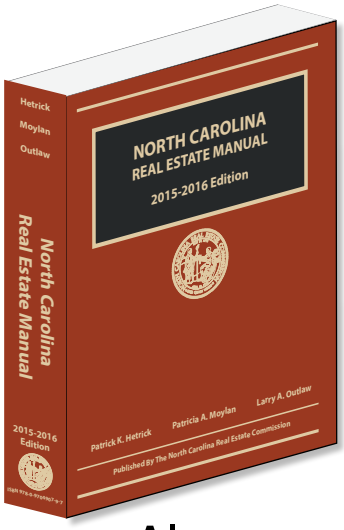

2015-2016 Edition

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

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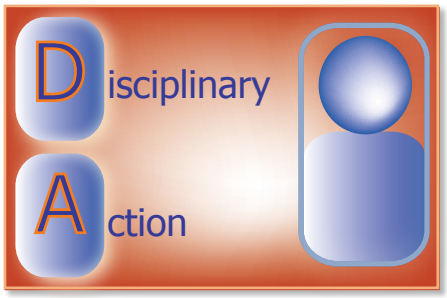
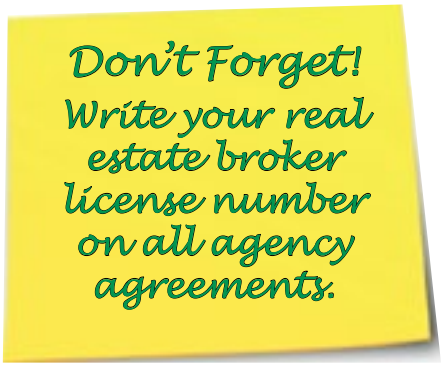


Penalties for violations of the Real Estate License Law and Commission rules vary depending upon the particular facts and circumstances present in each case. Due to space limitations in the Bulletin, a complete description of such facts cannot be reported in the following Disciplinary Action summaries.

ALL AMERICAN ASSOCIATES REALTY LLC (Hubert) – By Consent, the Commission permanently revoked the firm license of All American Associates Realty effective July 20, 2016. The Commission found that All American Associates Realty failed to provide monthly statements and receipts justifying expenses to property owners; that All American Associates Realty failed to deposit and maintain security deposits and rental proceeds in a trust account; that All American Associates Realty failed to maintain trust account records in compliance with Commission Rules; that All American Associates Realty failed to respond to letters of inquiry sent by Commission staff; and that All American Associates Realty failed to provide transaction records to Commission staff for inspection.

TRACY LEE ANDERSON (North Wilkesboro) – By Consent, the Commission suspended the broker license of Mr. Anderson for a period of 24 months effective June 22, 2016. Three months of the suspension will be active with the remainder stayed for 21 months. The Commission found that Mr. Anderson timely reported his January 2015 North Carolina felony conviction of Possession of Marijuana; that Mr. Anderson received thirty-six (36) months of supervised probation, was ordered to complete 40 hours of community service and was required to undergo a substance abuse assessment; that Mr. Anderson timely reported his February 2016 Texas felony convictions of Possession of Marijuana and Possession of a Controlled Substance, which stemmed from the same incident above; that Mr. Anderson received a forty-eight (48) month term of community supervision on a deferred judgment and was ordered to pay $5,000 in fines and costs; and that Mr. Anderson currently does not have any pending criminal charges.

RANDY A. BARNES (Wilson) – The Commission accepted the permanent voluntary surrender of the broker license of Mr. Barnes effective June 22, 2016.



The Commission dismissed without prejudice allegations that Mr. Barnes violated provisions of the Real Estate License Law and Commission rules. Mr. Barnes neither admitted nor denied misconduct.

VICTOR ALAIN BARREIRO (Durham) – By Consent, the Commission suspended the broker license of Mr. Barreiro for a period of 12 months effective July 1, 2016. The Commission then stayed the suspension for a probationary period ending July 1, 2017. The Commission found that Mr. Barreiro on July 30, 2013, was convicted of Reckless Driving to Endanger; that on March 5, 2015, Mr. Barreiro pleaded guilty to Misdemeanor Domestic Violence Protective Order Violation; and that Mr. Barreiro failed to disclose both the conviction and the guilty plea to the Commission within 60 days.

WILBUR L. BECK, JR. (Fayetteville) – By Consent, the Commission suspended the broker license of Mr. Beck for a period of 18 months effective March 1, 2016. Three months and 13 days were active with the remainder stayed for a probationary period ending September 1, 2017. The Commission found that Mr. Beck conducted property management and real estate brokerage services through a sole proprietorship; that Mr. Beck was previously reprimanded by the Commission in other cases for failure to maintain records of all receipts and disbursements of others in such a manner as to create a clear audit trail; that in and around 2015, a trust account audit showed a shortage of at least $29,000 in Mr. Beck's trust account; and that Mr. Beck failed to timely remit rental proceeds to his landlord-client and failed to maintain accurate records in accordance with Commission trust account rules. The Commission noted that Mr. Beck has since fully funded the shortage in the trust account to the satisfaction of the Commission and has agreed not to act as broker-in-charge or have signature authority of a trust account in the future.

SPENCER T. BENSCH (Matthews) – By Consent, the Commission suspended the broker license of Mr. Bensch for a period of 18 months effective September 1, 2016. Six months of the suspension are active with the remainder stayed. The Commission found that Mr. Bensch, in and around July 2015, and acting as an on-site real estate broker for a licensed builder, forged the builder's initials on a page in the offer to purchase; then substituted the original page, which contained a range of construction completion dates with the forged page; and that Mr. Bensch stated that his purpose in substituting the forged page was to as-

Continued

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 Regulatory Affairs Division at 919-875-3700 for more information.

sist the buyer in school registration. The Commission noted that Mr. Bensch volunteered his commission to compensate the buyer for relocation costs due to the extended completion date and the buyer has been fully reimbursed.

BURCH PROPERTY MANAGEMENT LLC (Fayetteville) - By Consent, the Commission permanently revoked the firm license of Burch Property Management effective July 1, 2016. The Commission found that Burch Property Management, through its qualifying broker and broker-in-charge, failed to maintain trust account records in accordance with the Real Estate License Law and Commission rules, failed to safeguard trust money belonging to others, engaged in deficit spending from the trust account, failed to provide trust account documentation to Commission staff despite numerous requests, and failed to remit tenant security deposits in a timely manner.

CAROLINAS METRO REALTY LLC (Charlotte) – By Consent, the Commission reprimanded Carolinas Metro Realty effective July 1, 2016. The Commission found that in October 2014, a broker licensed in South Carolina, but not in North Carolina, affiliated with the firm and represented that she would obtain a North Carolina license by the end of 2014; that the broker was never licensed in North Carolina, yet, between October 2014 and May 2015, the unlicensed broker showed and leased rental properties in North Carolina; and that the firm received and held $27,932.50 in rental commissions for the broker in anticipation of licensure. The Commission noted once the firm was informed that the broker could not be paid the commissions even after licensure in North Carolina, it reimbursed the full amount.

PASQUALE CARUSO (Hubert) – By Consent, the Commission permanently revoked the broker license of Mr. Caruso effective July 20, 2016. The Commission found that Mr. Caruso failed to provide monthly statements and receipts justifying expenses to property owners; that Mr. Caruso failed to deposit and maintain security deposits and rental proceeds in a trust account; that Mr. Caruso failed to maintain trust account records in compliance with Commission Rules; that Mr. Caruso failed to respond to Letters of Inquiry sent by Commission staff; and that Mr. Caruso failed to provide transaction records to Commission staff for inspection.

COMPASS BUILDING & REALTY LLC (Mooresville) – The Commission accepted the permanent voluntary surrender of the firm license of Compass Building & Realty effective August 17, 2016. The Commission dismissed without prejudice allegations that Compass Building & Realty violated provisions of the Real Estate License Law and Commission rules. Compass Building and Realty neither admitted nor denied misconduct.

PATRICK S. CRAWFORD (Raleigh) – By Consent, the Commission suspended the license of Mr. Crawford for a period of 24 months effective October 1, 2016. The Commission then stayed the suspension for a probationary period from October 1, 2016 through September 30, 2018. The Commission found that Mr. Crawford, acting as the qualifying broker and broker-in-charge of a real estate brokerage firm, managed an occupied residential building ("the property") and also acted as co-listing agent during its sale; that in September 2014, during the due diligence period, a water test was performed on the well which tested positive for coliform bacteria and the buyer requested copies of current leases for the tenants of the property; that some of the tenant leases contained the phrase "do not drink" where it mentioned water as the utility; that this phrase was written into the leases by Mr. Crawford, unbeknownst to the property owner; that the buyer later terminated the purchase contract; that Mr. Crawford failed to notify the tenants and failed to notify the property owner of the September 2014 well water test; and that the property owner did not begin treatment of the well until January 2016.

LINDA CAROL EPLEY (Maysville) - By Consent, the Commission reprimanded Ms. Epley effective October 1, 2016. The Commission found that in January 2014, Ms. Epley listed property she and her husband owned for sale. Ms. Epley filled out the North Carolina Residential Property Owners' Association

Continued

Your Pocket License Card is your ticket for admission to Continuing Education classes. Allow at least 10 days to process a replacement request or purchase and download a replacement immediately from the Commission's Web site.

Disclosure Statement by making "no representation."

STEPHEN ALBERT EPLEY (Maysville) – By Consent, the Commission reprimanded Mr. Epley effective October 1, 2016. The Commission found that in January 2014, Mr. Epley listed property he and his wife owned for sale. Mr. Epley filled out the North Carolina Residential Property Owners' Association Disclosure Statement by making "no representation."

FOXFIRE REALTY SERVICES LLC (Foxfire Village) - By Consent, the Commission suspended the firm license of Foxfire Realty Services for a period of 18 months effective July 1, 2016. The Commission then stayed the suspension for a probationary period ending January 1, 2018. The Commission found that on August 29, 2014, one of firm's property owner clients died and from September 2014 until March 2015 the firm collected rental proceeds from the deceased's properties and deposited them into its operating account; that Foxfire Realty Services paid the balance of the deceased's rental proceeds to the attorney for the estate in March 2015; and that Foxfire Realty Services failed to maintain its trust account and trust account records in compliance with the Real Estate License Law and Commission rules.

LOWELL RUSSELL GASAWAY (Whittier) – The Commission accepted the permanent voluntary surrender of the broker license of Mr. Gasaway effective June 22, 2016. The Commission dismissed without prejudice allegations that Mr. Gasaway violated provisions of the Real Estate License Law and Commission rules. Mr. Gasaway neither admitted nor denied misconduct.

MARY CATHERINE KELLY (Apex) – By Consent, the Commission reprimanded Ms. Kelly effective September 20, 2016. The Commission found that Ms. Kelly was the agent for the buyers of a residential property in August 2013, and some of the wells of the homes in the neighborhood had recently tested positive for TCE, a known carcinogen; that the well of the subject property was tested and did not show the presence of TCE; that, nevertheless, the North Carolina Department of Environment and Natural Resources allowed a company, Aqua, to construct a water main extension to all of the homes in the neighborhood and allowed owners to connect to those facilities at a discounted rate of $500 before November 2013; that the listing agent for the subject property attached the well test results and the letter from Aqua about the connection deadline to the MLS listing; that Ms. Kelly reviewed these documents, but failed to deliver them to her buyer clients; that Ms. Kelly maintains that she told her buyer clients that the well on the property was not contaminated and that water was available at the street, but the buyers do not recall this conversation; and that after closing, the buyers were informed by their neighbors about the contaminated wells in the neighborhood and now must pay $1,700 to connect to the Aqua utilities since they missed the deadline for the discounted rate.

LEATHERWOOD RENTALS INC (Ferguson) – By Consent, the Commission suspended the firm license of Leatherwood Rentals for a period of 12 months effective April 1, 2016. The Commission then stayed the suspension for a probationary period of 12 months. The Commission found that Leatherwood Rentals failed to maintain trust account records, in compliance with Commission Law and rules; that Leatherwood Rentals earned a commission for selling security deposit insurance but failed to disclose the commission to either renters or the firm's property owner clients; that Leatherwood Rentals deposited trust monies into an interest bearing account but failed to first obtain written authorization from its property owner clients; that the vacation rental agreements used by Leatherwood Rentals did not contain a recitation of the rights and obligations of tenants and firm as required by the Real Estate License Law and improperly identified the bank at which rental payments were deposited; and that the management agreements utilized by Leatherwood Rentals did not contain required anti-discrimination language and did not include a broker's license number.

PAMELA J. MCCLURE (Pelham, Alabama) – By Consent, the Commission suspended the broker license of Ms. McClure for a period of six months effective July 1, 2016. One month of the suspension was active with the remainder stayed. The Commission found that Ms. McClure, a licensed North Carolina real estate broker, in and around June 2015, acting as a broker-in-charge failed to actively and directly supervise two provisional brokers affiliated with her firm; that Provisional Broker A lives approximately 395 miles from Ms. McClure's North Carolina firm and Provisional Broker B lives approximately 100 miles from Respondent's North Carolina firm; that Ms. McClure herself resides in Georgia, 100 miles from the North Carolina firm; that Ms. McClure failed to respond to multiple Letters of Inquiry and mostly communicates with brokers and staff via telephone and drop box; and that Ms. McClure failed to maintain her firm's transaction files in full compliance with Commission rules.

MARIO ANTONIO MITCHELL (Charlotte) – By Consent, the Commission reprimanded Mr. Mitchell effective July 1, 2016. The Commission found that on January 22, 2015, the Virginia Department of Professional and Occupational Regulation (DPOR) revoked Mr. Mitchell's Virginia real estate license and imposed a fine of $2,250. The Commission noted that the basis of the DPOR's action was a business deal in which Mr. Mitchell was a principal and Mr. Mitchell's failure to update his personal information not for his actions as a real estate broker.

MT. MITCHELL VACATION PROPERTIES LLC (Burnsville) By Consent, the Commission suspended the firm license of Mt. Mitchell Vacation Properties for a period of 18 months. The Commission found that its qualifying

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broker, from July 1, 2014 until September 11, 2015, and the firm, maintained money belonging to others in trust accounts, and advertised its services without a broker-in-charge; that its qualifying broker failed to maintain trust account records compliant with Commission rules; and that the qualifying broker's rental agreements did not comply with the North Carolina Vacation Rental Act.

ALMETTA WANETTA MOORE (Fayetteville) – By Consent, the Commission permanently revoked the broker license of Ms. Moore effective July 1, 2016. The Commission found that Ms. Moore, acting as the qualifying broker and broker-in-charge of Burch Property Management failed to maintain trust account records in accordance with the Real Estate License Law and Commission rules, failed to safeguard trust money belonging to others, engaged in deficit spending from her firm's trust account, failed to provide trust account documentation to Commission staff despite numerous requests, and failed to remit tenant security deposits in a timely manner.

GARY RICHARD NUNES (Burnsville) By Consent, the Commission suspended the broker license of Mr. Nunes for a period of 18 months effective January 13, 2016. The Commission found that Mr. Nunes conducted property management services and was qualifying broker of a licensed real estate brokerage firm; that from July 1, 2014, until September 11, 2015, Mr. Nunes operated the firm, maintained money belonging to others in trust accounts, and advertised services without a broker-in-charge; that Mr. Nunes failed to maintain trust account records compliant with Commission rules; and that Mr. Nunes' vacation rental agreements did not comply with the North Carolina Vacation Rental Act.

BECKIE LEE PAHNER (Foxfire Village) – By Consent, the Commission suspended the broker license of Ms. Pahner for a period of 18 months effective July 1, 2016. The Commission then stayed the suspension for a probationary period ending January 1, 2018. The Commission found that Ms. Pahner acted as the qualifying broker and broker-in-charge of a licensed real estate brokerage firm; that, on August 29, 2014, one of Ms. Pahner's property owner clients died and from September 2014 until March 2015, Ms. Pahner collected rental proceeds from the deceased's properties and deposited them into her operating account; that Ms. Pahner paid the balance of the deceased's rental proceeds to the attorney for the estate in March 2015; and that Ms. Pahner failed to maintain her firm's trust account and trust account records in compliance with the Real Estate License Law and Commission rules.

PATRICK PROPERTIES INC. (Raleigh) – By Consent, the Commission suspended the license of Patrick Properties for a period of 24 months effective October 1, 2016. The Commission then stayed the suspension for a probation period from October 1, 2016 through September 30, 2018. The Commission found that Patrick Properties managed an occupied residential building ("the property") and also acted as co-listing agent during its sale; that in September 2014, during the due diligence period, a water test was performed on the well which tested positive for coliform bacteria and the buyer requested copies of current leases for the tenants of the property; that some of the tenant leases contained the phrase "do not drink" where it mentioned water as the utility; that this phrase was written into the leases by the agent, unbeknownst to the property owner; that the buyer later terminated the purchase contract; that Patrick Properties failed to notify the tenants and failed to notify the property owner of the September 2014 well water test; and that the property owner did not begin treatment of the well until January 2016.

PROPERTY MANAGEMENT EXPERTS, INC. (Charlotte) - By Consent, the Commission permanently revoked the firm license of Property Management Experts effective July 21, 2016. The Commission found that Property Management Experts managed a property and at the end of the tenant's initial term placed the tenant on a month-to-month lease despite the client's request for an 8-month lease; that in November 2013, the landlord gave notice of termination to Property Management Experts via email and requested that the tenant security deposit ("TSD") be returned; that, despite multiple requests, Property Management Experts failed to return the TSD until February of 2014; that, furthermore, Property Management Experts deducted the agreed-upon early termination fee of $270 from the TSD; that an audit was performed on Property Management Experts' trust accounts and the auditor found: that some accounts were not designated to be "trust" or "escrow", despite containing rent deposits and property owner disbursements; evidence of previous shortages; that Property Management Experts failed to maintain ledgers, journals, a check register, and failed to make monthly reconciliations; and evidence of comingling. The Commission noted that, at the time of the audit, the balances in the trust accounts were

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adequate to cover the security deposits balance because a large deposit was made into the account three days before the auditor's scheduled visit.

RAINA EUNICE PURVIS fka RAINA EUNICE PELZER (Charlotte) – By Consent, the Commission suspended the broker license of Ms. Purvis for a period of 24 months effective July 21, 2016. The Commission then stayed the suspension on certain conditions for a probationary period from July 21, 2016 through July 20, 2018 and prohibited Ms. Purvis from acting as a broker-in-charge and engaging in property management for a period of three years. The Commission found that Ms. Purvis, acting as the qualifying broker and broker-in-charge of a licensed real estate firm, managed a property and, at the end of the tenant's initial term, placed the tenant on a month-to-month lease despite the client's request for an 8-month lease; that in November 2013, the landlord gave notice of termination to Ms. Purvis via email and requested that the tenant security deposit ("TSD") be returned; that, despite multiple requests, Ms. Purvis failed to return the TSD until February of 2014; that, furthermore, Ms. Purvis deducted the agreed-upon early termination fee of $270 from the TSD; that an audit was performed on Ms. Purvis' trust accounts and the auditor found: that some accounts were not designated to be "trust" or "escrow", despite containing rent deposits and property owner disbursements; evidence of previous shortages; that Ms. Purvis failed to maintain ledgers, journals, a check register, and failed to make monthly reconciliations; and evidence of comingling. The Commission noted that, at the time of the audit, the balances in the trust accounts were adequate to cover the security deposits balance because Ms. Purvis made a large deposit into the account three days before the auditor's scheduled visit.

CHASITY RENEE ROBBINS (Lexington) – By Consent, the Commission suspended the broker license of Ms. Robbins for a period of three months effective May 1, 2016. The Commission found that Ms. Robbins entered into a listing agreement on April 16, 2015 to sell lakefront property and agreed to advertise the property on the MLS and on the Internet; that Ms. Robbins failed to deliver the listing agreement to her broker-in-charge and failed to enter the property on the MLS system until June 25,2016; that Ms. Robbins failed to respond to two Letters of Inquiry sent by Commission staff and failed to respond to attempts by Commission staff to communicate with her by telephone and mail.

CHRISTINA MARIE SERAFINO (Cary) – By Consent, the Commission reprimanded Ms. Serafino effective September 20, 2016. The Commission found that Ms. Serafino represented out-of-state buyers of a property; that an inspection was performed for the property which revealed that the home was clad in hardboard siding rather than fiber cement, as advertised on the MLS; that Ms. Serafino failed to notify the listing agent of the difference in siding as indicated on the MLS; that the home was actually clad in hardboard siding as well as some fiber cement siding; that Ms. Serafino agreed to verify that the repair requests were completed prior to closing; and that Ms. Serafino performed a walk-through on the day of closing, but failed to review all receipts for work performed and failed to retain all copies of receipts received for her files.

ANU SHARMA (Greensboro) – By Consent, the Commission reprimanded Mr. Sharma effective September 1, 2016. The Commission found that Mr. Sharma, in and around November 2015, acted as a property manager and collected rental proceeds and tenant security deposits through an unlicensed firm; that Mr. Sharma collected rents in cash, but failed to provide a receipt or deposit the funds within three days; that Mr. Sharma failed to provide monthly statements to landlord-clients; that Mr. Sharma failed to designate himself as a broker-in-charge; and that Mr. Sharma failed to maintain a personal ledger or trial balance in compliance with Commission rules. The Commission noted that Mr. Sharma has signed a Cease and Desist Agreement on behalf of his unlicensed firm and has stopped performing property management services.

KELLY R. SMITH (Raleigh) – The Commission accepted the voluntary surrender of the broker license of Ms. Smith for a pe-

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Brokers Should Ask Closing Attorneys to Not Disburse Proceeds Without Confirming Disbursement Instructions

Brokers are urged to encourage closing lawyers in each transaction not to disburse proceeds other than as specifically authorized in a written document signed by the seller. There have been instances of hackers diverting funds from real estate transactions, i.e., criminals hacked into a real estate broker's computer database and monitored email traffic to learn about an impending closing. They send an email to the lawyer instructing the lawyer to wire the seller's proceeds to a bank account other than the one originally identified. That email comes from an address that looked like the broker's. The lawyer wires the seller's proceeds to the criminals' account. By the time the lawyer learns of this crime, the criminals have wired the funds to a foreign bank account.

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riod of two years effective April 20, 2016. The Commission dismissed without prejudice allegations that Ms. Smith violated provisions of the Real Estate License Law and Commission rules. Ms. Smith neither admitted nor denied misconduct.

JONATHAN LEE WASHINGTON (Greensboro) – By Consent, the Commission revoked the broker license of Mr. Washington effective June 1, 2016. The Commission found that Mr. Washington, acting as the broker-in-charge of his own sole proprietorship, converted earnest money deposits for personal expenses; that Mr. Washington admits that he often used the earnest money deposits to cover his personal expenses; that a records inspection completed by a Commission representative found negative account balances, a number of cash withdrawals, and checks made payable to cash from Mr. Washington's escrow account; that Mr. Washington failed to maintain trust account records and client funds in compliance with Commission rules including failure to maintain and deposit funds in a designated trust account and failing to maintain transaction records; and that the records that Mr. Washington did maintain showed forms signed incorrectly with inaccurate dates.

WESLEY DENNIS WHITSON (Ferguson) - By Consent, the Commission suspended the broker license of Mr. Whitson for a period of 12 months effective April 1, 2016. The Commission then stayed the suspension for a probationary period of 12 months. The Commission found that Mr. Whitson, acting as broker-in-charge of a real estate brokerage firm, failed to: maintain trust account records in compliance with Commission Laws and rules; that Mr. Whitson earned a commission for selling security deposit insurance but failed to disclose the commission to either renters or the firm's property owner clients; that Mr. Whitson deposited trust monies into an interest bearing account but failed to first obtain written authorization from its property owner clients; that the vacation rental agreements used by Mr. Whitson did not contain a recitation of the rights and obligations of tenants and firm as required by the Real Estate License Law and improperly identified the bank at which rental payments were deposited; and that the management agreements utilized by Mr. Whitson did not contain required anti-discrimination language and did not include a broker's license number.

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