Robert Ramseur Appointed to Commission

Robert J. Ramseur, Jr., of Raleigh, has been appointed to the North Carolina Real Estate Commission by Governor Pat McCrory, announced Miriam J. Baer, Executive Director of the Commission.

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 is licensed to practice in all state courts (See Ramseur, Page 3).

Make Safety the First Order of Business

By Corean E. Hamlin, Education/Licensing Officer, and Pamela R. Rorie, Continuing Education Officer

Viewing vacant properties, going on listing appointments, hosting open houses...if you are a real estate professional, you undoubtedly perform these tasks routinely. However, these everyday situations have the potential to put brokers in danger, susceptible to becoming victims of violent crimes.

Research involving survivors of violent crimes indicates that taking protective steps to stay safe can lessen your chances of being attacked. **Don't be a crime statistic.** Use the following tips and make personal safety your first priority.

Be suspicious. Take steps to get to know your prospects and customers when meeting them for the first time. Perform name searches through search engines and social networking websites. Insist that new prospects meet you at your office, provide identification, and complete information forms.

Tell someone and then stay in touch. Before showing property, give a co-worker or peer your itinerary, including your estimated return time and the names of your customers/clients. Ask someone to call you at a pre-determined time to check on you. Avoid showing property after dark.

Have a fully charged cell phone and have it readily available – not in your purse or pocket. Program “911” and other emergency numbers into speed dial. Consider using a safety mobile app on your smartphone; several are available – some created especially for real estate brokers – and can do everything from instantly alerting others to accessing your GPS coordinates to requesting help.

Have a pre-determined distress code. Create a distress code within your office and make sure that all brokers and staff members know it. Using a prear-(See Safety, Page 5)

License Renewal Period Opens May 15; All Licensees Must Renew Online

Reminder notices to renew your real estate license will arrive by email, if you receive your Real Estate Bulletin by email, or in your postal mailbox, if you receive the printed edition. Either way, you must renew your license between May 15 and June 30 to avoid notification in early July that you no longer have a license, as it is expired.

This year, the law requires that you renew online through the Commission’s website, www.ncrec.gov. (A broker who does not have the ability to renew online may renew by calling the Commission's office between 8:30 a.m. and 5:00 p.m., Monday through Friday (919/875-3700)).

Log in to your personal record using your personal identification number (PIN) on or after May 15 to complete the process. Your PIN will be the last four digits of your Social Security number unless you have changed it.

The license renewal fee is $45. When paying online, you may use Visa, Mastercard, Discover, American Express or PayPal (See Renewal, Page 6)
REAL ESTATE BULLETIN
Published as a service to real estate licensees to promote a better understanding of the Real Estate License Law and Commission rules, and proficiency in real estate practice. The articles published herein shall not be reprinted or reproduced in any other publication without specific reference being made to their original publication in the Commission's Real Estate Bulletin.

NORTH CAROLINA REAL ESTATE COMMISSION
1313 Navaho Drive
P. O. Box 17100
Raleigh, North Carolina 27619-7100
Phone (919) 875-3700
www.nrec.gov
Pat McCrory, Governor

People

Paula L. Ricard has been named Chief Financial Officer. She was formerly Financial Officer. With the Commission since 1990, she holds an MBA from Meredith College and is a Certified Public Accountant.

Appearances

Miriam J. Baer, Executive Director, spoke to the Durham Regional Association of REALTORS®.

Eric A. Mine, Associate Legal Counsel II, spoke to Peak Swirls & Cavallito Properties in Durham.

Frederick A. Moreno, Deputy Legal Counsel, spoke to the Catawba Valley Association of REALTORS® and to the Rocky Mount Area Association of REALTORS®.

Stephen L. Fussell, Senior Consumer Protection Officer, spoke to Lake Norman Realty in Mooresville.

Jean A. Wolinski-Hobbs, Consumer Protection Officer, spoke to Fonville Morisey Realty in Cary.

Glenn M. Wylie, Consumer Protection Officer, spoke to the Barbara Caravan Realty Property Management Seminar in Jacksonville and to the Property Management Seminar of the Jacksonville Board of REALTORS®.

Peter B. Myers, Information Officer, spoke to Berkshire Hathaway Home Services in Huntersville, to the Carteret County Association of REALTORS®, to Fathom Realty in Cary, and to the Laurinburg Board of REALTORS®.

65 Years of Service to the Commission

Five members of the Commission staff received awards for service recently. Commission Chairman Thomas R. Lawing, Jr., (left) and Vice Chair L. S. “Cindy” Chandler (right) presented the awards to (l. to r.) Curtis E. Aldendifer, Associate Legal Counsel, five years; Pui “Peggy” Y. Chow, Accounting Technician, 15 years; Wendy C. Harper, Office/Human Resources Manager, 25 years; Patricia A. Moylan, Legal Education Officer, 15 years; and D. Scott Schiller, Financial Fraud Investigator, five years.
May 20
June 17
July 15 (Charlotte)
August 12
September 16
October 14

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.

Your Email Address: Public or Private?
You now have the option to designate your email address(es) on file with the Commission as "public" or "private - for Commission use". Your "private" email address will be used by the Commission to communicate with you, and will not be disseminated to anyone. Your "public" email will be provided on request to others such as schools to send you CE information.
Logon to your record on the Commission website and make necessary changes today!

Broker Numbers
As of April 1, 2015, there are 95,140 brokers licensed by the Real Estate Commission in the following categories:

Active Brokers 58,371
(Active Provisional Brokers 4,891)
Inactive Brokers 25,722
(Inactive Provisional Brokers 4,896)
Firms 11,047
Brokers-in-Charge 16,286

See Commission website to confirm course dates.
Inspections: Varied Tests, Verifications, Property Evaluations Offer Many Choices for Prospective Homebuyers

By Stephen L. Fussell, Senior Consumer Protection Officer

The following is a list of inspections and verification measures that a prospective homebuyer should consider. Some lenders require certain inspections. However, even if a lender does not require a particular inspection or test, buyers should consider the following in order to protect their long-term interests. Declining an inspection in an effort to save money may cost the buyer much more than the cost of the inspection in the long run. This list is not exhaustive, but is intended to cover the most common inspections and verifications utilized by buyers.

Home Inspection – This is a general overview of the condition of a house. It is a visual inspection and is not exhaustive (i.e., it may not detect hidden defects). It does not provide a guarantee that defects will not arise in the future. Even buyers of newly-constructed homes should have home inspections. A residential home inspector must be licensed. Buyers should pay close attention to any recommendation by a home inspector for further, specialized inspections.

Wood-destroying insects – Every house should be inspected for insects that eat wood because the presence of such insects can damage or destroy a house. Evidence of a previous infestation of wood-destroying insects may warrant an inspection by a general contractor or structural engineer to determine the extent of the damage.

Radon – This is a colorless, odorless, carcinogenic gas that rises through the soil and enters a house through the crawl space or concrete slab. There are several methods for testing for the presence of radon. The EPA has indicated that corrective action is necessary when the radon level inside a home is 4.0 pCi/L or higher as this can be harmful to one’s health. Every buyer should consider having a radon test.

Survey – This will indicate whether there are any encroachments (e.g., fences, buildings, driveways, landscaping, etc.) by the subject property or adjacent properties.

Lead – Lead-based paint and lead pipes are the primary source of lead in homes. If a home was built before 1978, the seller must provide a lead-based paint disclosure. If a buyer has children, it may be wise to test the property for the presence of lead.

Mold – While mold is found everywhere and most types of mold are harmless, some types carry health risks. Also, persons with asthma and other respiratory health issues may be more sensitive to mold than the general population. If there is evidence of significant mold or if the buyer expresses a sensitivity to mold, an inspection by a qualified mold inspector would be wise.

Gas furnace – If the heat exchanger in the gas furnace is cracked, the furnace may produce carbon monoxide which can be fatal. A gas furnace should be inspected by a licensed HVAC firm.

Fireplace/Chimney – Fireplaces and chimneys should be inspected for cracks, creosote build-up and/or weak foundations that may allow the chimneys to lean away from the house creating gaps that enable moisture and pests to enter the gaps and the house. Also, don’t forget to inspect flues for gas stoves and gas logs.

Moisture (crawl space, basement, roof leak, plumbing leak) – Moisture is a home’s worst enemy. It promotes wood decay, mold and wood-destroying insects. Any evidence of moisture in a crawlspace or basement or stains on ceilings should lead to further examination.

Foundation cracks – This can be a sign of structural weakness caused by uneven settling of the soil under the house. The buyer should consider hiring a structural engineer to evaluate suspicious foundation cracks.

Septic systems – Check the septic permit for the specified number of bedrooms to make sure it meets or exceeds the advertised number of bedrooms and to locate the septic system on the property. If the area in which the septic system is located is wet or smells like sewage, the buyer should contact either the county environmental health department or a septic contractor to evaluate.

Wells – Test for contamination by bacteria, heavy metals, pesticides and other toxins. Drinking water containing any of these could be harmful to one’s health. A buyer or buyer’s agent may look at the water (Is it clear or brown?) and taste the water to help make the decision on how extensively to test the well water.

Underground fuel tanks – If a property depends upon well water and it has or previously had an underground fuel storage tank, it will be very important to determine whether there was any leakage from the tank. An unused tank should be removed or filled with sand to prevent collapse and the soil around the tank should be tested for fuel contamination.

City water/sewer – If a property is advertised as having “city water/sewer,” it would be wise to contact the local utility provider(s) to confirm that the property is connected to city water and sewer services.

Fire – If there is information or evidence indicating that a fire occurred, the buyer should hire a structural engineer to evaluate the structural integrity of the house.

Cracked concrete slabs, driveways, patios – If a house is built on a concrete slab (instead of a crawl space) and the slab is cracked, a buyer should consider hiring a structural engineer to evaluate the crack. Minor cracks in driveways, sidewalks and patios are normal. However, if a crack appears to be wide or uneven in elevation, the buyer should consider hiring a structural engineer to evaluate.

Flooding issues – Is the property in a designated flood plain? If so, the lender may require flood insurance. If the property is not located in a flood plain, but is located near a drainage ditch or a body of water or, if the ground around the

Continued
Safety
(Continued from page 1)

ranged distress code, a broker can alert another office member that s/he is feeling uneasy with a client/customer (without letting the client/customer know). If a broker calls another office member and gives the distress code, that office member knows that the broker needs immediate assistance. One suggestion is to use an acronym for “help,” for example: “Have Elizabeth Leave the Papers.”

Implement a buddy system. Predators thrive on isolation, so team up with another broker whenever possible. Working in pairs will lessen the chance of attack.

Practice vehicle safety. Make sure your car is in good working order and keep your keys readily available. When parking, take stock of your surroundings and avoid areas where you could be blocked in. When showing property to a new prospect (stranger), ask the prospect to follow you in his/her own car. If you must ride together, you should drive.

Dress for safety and success. Dress professionally. Don’t wear expensive jewelry as it may make you a target. Wear shoes that won’t hinder your ability to run, kick, or fight back.

Walk behind. Encourage prospective buyers to walk ahead of you when you’re showing property. Be aware of possible escape routes, and be wary of attics and basements.

Conduct safe personal marketing and be careful how you use social media. Keep your photos strictly professional — avoid “glamour shots.” Limit the amount of personal information you share. Make sure to control the privacy settings in your social media accounts, including the geolocation features. Many social networking sites will share your precise location with others unless you disable that feature.

Plan for a safe open house. Prior to an open house, introduce yourself to the neighbors. Evaluate the property and identify vulnerable points. Avoid advertising the property as “vacant.” On the day of the open house, keep your cell phone with you and check in with your office routinely. Ask another broker to join you for the event.

Trust your instincts. If you feel apprehensive or have the sense that something isn’t quite right, trust your gut!

Know your options and how you’ll respond to save your life. No resistance may be the best choice in some situations. If a would-be robber confronts you with a lethal weapon, give up your property. However, if you’re in a situation in which you must defend yourself, scream and fight back. Consider taking a course to learn self-defense techniques and skills.

All of these and many more tips are available in the North Carolina Real Estate Safety Guide, which was created in association with the NC Association of REALTORS®.

Special thanks to the Washington Real Estate Safety Council for allowing NCREC to use their Personal Safety Guide as the basis for development of the North Carolina Real Estate Agent Safety Guide.

To view or order the brochure, visit the Commission’s website, www.ncrec.gov. For more real estate agent safety resources, visit the North Carolina Association of REALTORS® website (www.nc-realtors.org) and National Association of REALTORS® website (www.realtor.org).
When brokers have multiple firm affiliations, consumers can often be left wondering “Who’s our broker?”

Say, for instance, that Broker A is affiliated with ABC Realty, Inc., a sales-only firm. Broker A wants to engage in property management. ABC Realty, Inc. gives Broker A permission to establish his/her own firm for property management and yet remain affiliated with ABC Realty, Inc., for residential sales. Broker A establishes XYZ Realty, LLC, becomes qualifying broker, broker-in-charge, and starts engaging in property management.

Months later, a tenant is unhappy with Broker A’s disposition of the tenant security deposit and files a complaint with the Commission against Broker A and ABC Realty, Inc. The tenant named ABC Realty, Inc. in the complaint because Broker A used ABC Realty’s software program that auto-populates the firm name and address on the lease form.

The tenant has a reasonable belief that the rental property is being managed through ABC Realty, Inc. This could be a misrepresentation on the part of Broker A, not to mention a misuse of ABC Realty’s software, and presents a problem for Broker A with both ABC Realty and the Commission.

When brokers have multiple affiliations, they need to use business cards and forms that identify the correct real estate firm with which the consumer is dealing.

Brokers-in-charge also need to be mindful of this issue. If you are a broker-in-charge and allow brokers with your firm to establish a separate firm, or affiliate with another existing firm, then make sure that they are not engaging in any other business under your firm name or using your trust account to handle monies that are related to a transaction with the other firm. Office policy should address whether brokers may have other affiliations.

There can be many reasons a broker might be affiliated with more than one real estate firm. Brokers just need to be sure that the documentation they are using indicates the correct firm affiliation for the transaction at hand, and that everyone knows which role the broker is performing for each transaction.
As of March 17, 2015, the North Carolina Department of Environment and Natural Resources (DENR) was authorized to begin issuing permits for oil and gas exploration, including fracking.

Effective January 1, 2015, in advance of the expected approval of permitting by the General Assembly, new Commission rules require real estate brokers to provide property owners with the mandatory disclosure statement displayed and explained below.

Brokers should be aware of the process to apply for and receive a permit to conduct oil and gas exploration on a property. The rule (15A1 NCAC 05H 1307) governing the review process can be found on the Office of Administrative Hearings website, http://www.ncoah.com/rules/.

Briefly, an applicant completes a Form-2 Oil or Gas Well Permit Application. DENR then sends notice to various Federal and State agencies requesting that they review and provide written comment on the application within 30 days. Public notice of the application will also be given when DENR posts it on its website (and allows 30 days for the submission of public comments). Finally, DENR has 180 days from receipt of the complete application to approve, approve with conditions, or deny the application. Once a permit is issued, drilling may commence.

Development of the permitting process occurred throughout 2014 when the newly formed Mining and Energy Commission adopted rules, which were approved by the General Assembly. These rules cover items such as chemical disclosure requirements, buffer setback requirements, well spacing, water testing, and permit application procedures.

The Rules Review Commission approved the rules in January 2015 and sent the regulations to the General Assembly for their approval. On March 17, 2015, the drilling moratorium was lifted.

The Commission expects all brokers to be familiar with the required Mineral and Oil and Gas Rights Mandatory Disclosure Statement (displayed on this page). Moreover, you should apprise your clients about their rights as landowners by sharing with them the information produced by the North Carolina Department of Justice.

Note: on March 16, 2015, a three judge panel of Superior Court judges ruled that the Legislature violated the North Carolina Constitution when it was allowed to appoint members to the Oil and Gas Commission as well as the Mining Commission, which it created. The case has now been appealed to the North Carolina Supreme Court. A ruling by the Supreme Court may impact the future of oil and gas exploration in NC. As of the writing of this article, however, the permitting process has not been impacted.

By Frederick A. Moreno, Deputy Legal Counsel

One-Page Mineral, Oil and Gas Disclosure Form Is Mandatory
Use of the Mineral and Oil and Gas Rights Mandatory Disclosure Statement is, as the title states, “mandatory” beginning this past January 1, 2015.

Keep copies of it handy for those times when you assemble paperwork relating to the sale of a property. You can also conveniently access it on the Commission’s website at this link: http://www.ncrec.gov/Forms/Consumer/rec425.pdf.

Sellers of certain property must disclose their intentions in the form concerning rights to subsurface minerals, oil and/or gas. Listing agents should emphasize that when taking a listing; buyer’s agents should inform their buyers that this is an important document among those relating to the sale of certain property.

If you have any questions about the use of the form, please contact the Commission’s Regulatory Affairs Division, 919-875-3700, for more information and to have your questions answered.
An eager crowd of real estate instructors, school officials and publisher representatives attended the 2015 Real Estate Educators Conference in Cary, March 16-17, at the Embassy Suites. The annual Commission-sponsored meeting drew a near-record crowd of 230 participants from across the state for this year’s event.

Commission Executive Director Miriam Baer opened the conference with the State of the Commission address. She reviewed the Commission’s accomplishments over the past year including website re-design, replacing BICAR with BICUP, publishing a new edition of the Real Estate Manual, and publishing fillable website forms. New initiatives included a Task Force on Instructor Approval and Development, reviewing ways to reinvent the Manual, creating a school bulletin template, improving the license exam question bank, and exploring distance education.

Bruce Moyer, Director, Education and Licensing, informed the group of Real Estate License Law and Commission rule changes, restructuring of the Education and Licensing Division, and a summary of the recent Instructor Development Task Force findings.

Anita Burt, Education and Examination Officer, recognized prelicensing schools whose students had exhibited outstanding performance on the license examination during the past year.

Corean Hamlin, Education and Licensing Officer, described some of the most common license application problems and offered suggestions about obtaining educational resources for both instructors and their students.

Sharon Montague, President of the North Carolina Real Estate Educators Association (NCREEA), presided over its spring meeting during which Immediate Past President Brian Pate presented the “Program of the Year” award to Jo Mangum for her continuing education elective course, Strategic Listing Specialist. Ms. Mangum also received NCREEA’s “Educator of the Year” award.

Commission Vice Chair Cindy Chandler presented the Commission’s Billie J. Mercer Excellence in Education Award to Ms. Mangum. The award is presented annually in memory of former Commission member and Chair Billie Mercer, who was especially dedicated to the cause of real estate education. The names of all award winners are engraved on the Mercer Award cup that is displayed in the Commission’s lobby. Commission members George Bell and “Vic” Knight were also in attendance for the award presentation.

Following the luncheon, Kimberly Rosenberg, President, Attorneys Title, and Elizabeth Harrison, current Chair, Real Property section of the North Carolina Bar Association, answered questions from the educators regarding the new Real Estate Settlement Forms. The new forms continued to be the focus of the remainder of the first day with a discussion of Brokers’ Responsibilities.
Whether communicating with clients and customers or updating property listings on the fly, today’s tech-savvy brokers are taking full advantage of smartphone technology and social media in conducting real estate transactions. It is important for brokers to consider the implications that the Commission’s records retention requirements have on the utilization of these tools, and to take the steps necessary to remain in compliance with Commission Rules and Real Estate License Law.

Commission Rule A.0108 requires that brokers retain records of all sales, rental, and other real estate transactions, and that they be able to produce those records for inspection and reproduction by the Commission without prior notice. Included in Rule A.0108 is a “catch-all” provision requiring the retention of “any other records pertaining to real estate transactions.”

Brokers who choose to use technology as a means of communication would be wise to retain all such communications related to a transaction, including emails and text messages - especially those that confirm that some act was or was not performed, that authorize the broker to undertake some act on behalf of a customer or client, or that disclose any material facts.

The challenge with text messages is not so much retaining them, but reproducing them at a later date. Many smartphones have applications that allow users to email text messages to themselves, and there are even applications that convert and save text messages as Microsoft Word documents. Whichever method is chosen to save text messages, a broker must be able to promptly retrieve and produce hard copies when necessary, and the copies must be legible, and provide a clear communication trail. The sending and receiving parties should be evident in each message and when the message was sent and/or received. Also, where a series of messages was exchanged, the order in which the messages were sent should be apparent.

Retaining all communication exchanges as part of the transaction file will increase a broker’s ability to defend against claims that the broker did or did not tell someone something, or that the broker was non-communicative during a transaction. If the broker is able to produce text messages proving that she was responsive to the client, the issue can be put to rest quickly and easily.

The catch-all provision in Rule A.0108 also requires the retention of all materials and statements used for the marketing and advertising of a listed property. It is therefore essential that a broker save all Facebook, Twitter, Instagram and other social media posts that provide information regarding a listed property, and be prepared to reproduce legible hard copies of the posts upon request of the Commission.

You may wish to consult with your firm’s IT specialist for technical guidance on retaining and reproducing electronic communications and marketing materials. Additionally, feel free to contact the Commission with any questions you may have regarding records retention rules and requirements at 919-875-3700.
# Free Publications

<table>
<thead>
<tr>
<th>Questions and Answers on:</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Housing</td>
<td></td>
</tr>
<tr>
<td>Tenant Security Deposits</td>
<td></td>
</tr>
<tr>
<td>Condos and Townhouses</td>
<td></td>
</tr>
<tr>
<td>Residential Subdivisions and Planned Communities</td>
<td></td>
</tr>
<tr>
<td>Purchasing Coastal Real Estate in North Carolina</td>
<td></td>
</tr>
<tr>
<td>Renting Residential Real Estate</td>
<td></td>
</tr>
<tr>
<td>N.C. Military Personnel Residential Lease Termination</td>
<td></td>
</tr>
<tr>
<td>Trato Con Agentes de Bienes Raíces (Working With Real Estate Agents)</td>
<td></td>
</tr>
<tr>
<td>Preguntas y Respuestas sobre:</td>
<td></td>
</tr>
<tr>
<td>Vivienda Justa (Fair Housing)</td>
<td></td>
</tr>
<tr>
<td>El Depósito de Seguridad del Inquilino (Tenant Security Deposits)</td>
<td></td>
</tr>
<tr>
<td>Alquiler de Inmuebles para Viviendo (Renting Residential Real Estate)</td>
<td></td>
</tr>
<tr>
<td>Real Estate Licensing in North Carolina</td>
<td></td>
</tr>
<tr>
<td>Residential Property Disclosure Statement (Available online)</td>
<td></td>
</tr>
</tbody>
</table>

# Purchase Publications

<table>
<thead>
<tr>
<th>Questions and Answers on:</th>
<th>Quantity</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Square Footage Guidelines</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Working With Real Estate Agents</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Home Inspections</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Earnest Money Deposits</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Real Estate Closings</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Offer and Acceptance</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Owning Vacation Rental Property</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Broker-in-Charge Guide</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>North Carolina Real Estate License Law and Commission Rules</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Real Estate Agent Safety Guide</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Issues and Answers</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Amount Enclosed</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

## How To Order:

**Online:** [www.ncrec.gov](http://www.ncrec.gov)

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

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

_This form for free publications only._

NAME ________________________________________

ADDRESS ____________________________________

CITY/STATE/ZIP ______________________________

Telephone_________________Email_______________

Please allow 7 days from receipt of order for delivery.

# How To Order:

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

**Online:** [www.ncrec.gov](http://www.ncrec.gov)

Select Publications on the Home page.

**Phone:** 1-866-833-5785; Fax 1-919-833-4649

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

_This form for purchasing publications only._

NAME__________________________

ADDRESS______________________

CITY/STATE/ZIP________________

Telephone_________________Email________________

Billing address if different from shipping address

MasterCard [ ] Visa [ ]

Expiration Date

Security Code

3-digit code on card back

Credit card orders must be a minimum of $1.00.

Signature: _______________________

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

The 2015-2016 edition covers a wide variety of topics including the new Mineral and Oil and Gas form and portions of the new federal Loan Estimate and Closing Disclosure documents to replace the HUD-1 and GFE as well as coverage of revisions to standard forms.

The files on the Web site and on disk are “READ ONLY” and may not be printed or changed.

Also available in digital form:

**CD-ROM**
The Real Estate Manual on CD-ROM provides digital, searchable files in Portable Document File format (PDF) which can be read by free Acrobat Readers across all platforms.

**ONLINE SUBSCRIPTION**
Online subscriptions permit online access to the Manual and expire upon publication of a new edition. (Users of older computers may prefer the CD-ROM for faster load times).

Free access to Manual on Web site up to 5X. Register on Web site.

**To Order:** Online at the Commission’s Web site, by mail, or fax. Credit cards accepted are MasterCard and Visa.

**MAILING ADDRESS:**
North Carolina Real Estate Manual
P. O. Box 28151
Raleigh, NC 27611

**Fax:** 1-866-867-3746

**Customer Service:** 1-866-833-5785

**Email:** manual@cesmail.com

---

**Order Form**
NORTH CAROLINA REAL ESTATE MANUAL

<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>CITY/STATE/ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Shipping Address (NOT P.O. BOX)

<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>CITY/STATE/ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MasterCard/Visa/Discover Billing Address (if different from Shipping Address)

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>ITEM</th>
<th>PRICE*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single Manual</td>
<td>$49.00*</td>
<td>$________</td>
</tr>
<tr>
<td></td>
<td>Additional Manuals (on same order)</td>
<td>$44.00*</td>
<td>$________</td>
</tr>
<tr>
<td></td>
<td>Manual on CD-ROM</td>
<td>$20.00*</td>
<td>$________</td>
</tr>
<tr>
<td></td>
<td>Manual-on-Web Subscription (Access free up to 5X; register on Web site)</td>
<td>$20.00</td>
<td>$________</td>
</tr>
</tbody>
</table>

*All prices include taxes, shipping and handling.

☐ MasterCard ☐ Visa ☐ Discover

Exp Date Security Code

(3-digit code on reverse side of card)

Signature: __________________________

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

**WILLIAM IRWIN BELK** (Charlotte) – Following a hearing, the Commission reprimanded Mr. Belk effective March 3, 2015. The Commission found that Mr. Belk’s North Carolina law license was suspended by the North Carolina State Bar (NCSB) for three years effective November 1, 2013; that Mr. Belk had been reprimanded by the NCSB in July 2012; and that Mr. Belk failed to report either disciplinary action by the NCSB within 60 days as required by Commission rules.

**CATHARINE L. BLUM** (Wilmington) – By Consent, the Commission suspended the broker license of Ms. Blum for a period of one month effective April 1, 2015. The Commission found from October 28, 2013, to May 2014, Ms. Blum, as a provisional broker, conducted brokerage activities outside of the supervision of a broker-in-charge; and that from March 10, 2014, to March 31, 2014, Ms. Blum’s license was designated as inactive and Ms. Blum continued to practice real estate brokerage with an inactive license.

**BROWNING REALTY, INC.** (Garner) – By Consent, the Commission reprimanded Browning Realty effective March 1, 2015. The Commission found that Browning Realty, acting as a listing firm, failed to disclose that a major highway expansion would affect the firm’s listed property; that the buyer attended a public hearing after closing on the listed property and was informed that, depending upon the chosen route, the buyer’s property would either be taken by the State of North Carolina or be within 0.5 mile of the highway. The firm refunded its commission to the buyer.

**MARTHA ELIZABETH CONAWAY** (Iron Station) – By Consent, the Commission reprimanded Ms. Conaway effective June 1, 2015. The Commission found that in October 2014, Ms. Conaway self-reported two criminal convictions for the sale of a schedule III controlled substance that occurred in 2011; that Ms. Conaway was ordered to pay a fine of $1,220, was given a suspended jail sentence of five to 15 months and put on 18 months of supervised probation, which can be commuted to unsupervised probation after 6 months.

**COX INVESTMENTS, INC.** (Holden Beach) – By Consent, the Commission suspended the firm license of Cox Investments, Inc., for a period of two years effective February 1, 2015. The Commission then stayed the suspension for a probationary period ending February 1, 2017. The Commission found that Cox Investments’ broker-in-charge failed to properly supervise its bookkeeper; that due to the failure to properly supervise the bookkeeper, Cox Investments’ rental trust accounts had a possible short fall of $12,999.14; that Cox Investments co-mingled rental income from properties it owned with funds held in trust for clients and customers; that Cox Investments’ vacation rental agreements included improper fees, improper terms for forfeiture of tenant security deposits, and failed to include a description of rights and responsibilities in the event of a mandatory evacuation; that Cox Investments’ property management agreements did not conspicuously disclose that trust funds would be deposited in an interest-bearing account and failed to include the license number of the broker signing on behalf of Cox Investments. The Commission noted that Cox Investments has since replaced its Qualifying Broker and Broker-in-Charge.
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.

STEVEN C. COX (Holden Beach) – By Consent, the Commission suspended the broker license of Mr. Cox for a period of two years effective February 1, 2015. Nine months are active with the remainder stayed for a probationary period ending February 1, 2017. The Commission found that Mr. Cox, acting as broker-in-charge of a real estate brokerage firm, failed to properly supervise his bookkeeper; that due to Mr. Cox’s failure to properly supervise the bookkeeper, the firm’s rental trust accounts had a possible short fall of $12,999.14; that Mr. Cox co-mingled rental income from properties owned by the firm with funds held in trust for clients and customers; that Mr. Cox included improper fees, improper terms for forfeiture of tenant security deposits, and failed to include a description of rights and responsibilities in the event of a mandatory evacuation in the firm’s vacation rental agreements; that Mr. Cox failed to ensure that the firm’s property management agreements both conspicuously disclosed that trust funds would be deposited in an interest bearing account and included the license number of the broker signing the agreement.

JOSEPH J. CURRIN, III (Fayetteville) – By Consent, the Commission reprimanded Mr. Currin effective June 1, 2015. The Commission found that Mr. Currin, acting as broker-in-charge of a real estate brokerage firm, failed to properly oversee tenant security deposit accounts, which allowed an unlicensed employee to embezzle approximately $3,542 of client monies within one year. The Commission noted that upon discovering the embezzlement, Mr. Currin notified the county sheriff’s office and the Commission and replaced all client monies immediately.

JAMES H. ENGLISH (New Bern) – By Consent, the Commission suspended the broker license of Mr. English for a period of six months effective May 1, 2015. The Commission then stayed the suspension for a probationary period through and including November 1, 2015. The Commission found that Mr. English, acting as listing agent for a commercial property, was told by his client, the owner of the property for 10 years, that the water and sewer service were connected to a public source; that Mr. English, relying on the information communicated by his client, prepared the listing description for the MLS, indicating that the property was connected to city water and sewer, and did not independently verify this information; that Mr. English then represented a buyer of the property as a dual agent and executed all of the proper disclosures regarding representation; and that after closing, the buyer learned that the property is not connected to city water or sewer, but rather to a septic system.

FLAGSHIP PROPERTY MANAGEMENT LLC (Greenville) – By Consent, the Commission suspended the firm license of Flagship Property Management LLC for a period of 18 months effective March 1, 2015. The Commission then stayed the suspension for a probationary period ending September 1, 2016. The Commission found that Flagship Property Management, from June 2008 until December 2010, conducted business without a designated broker-in-charge; that from June 2009 until July 2009, and again from June 2010 to July 2010, Flagship Property Management operated with an expired broker license; that from July 2009 until December 2010, Flagship Property Management operated with an inactive broker license; that Flagship Property Management charged fees and marked up the cost of repair work without first disclosing these charges to property owners; that Flagship Property Management paid referral fees directly to provisional brokers; that Flagship Property Management failed to keep trust account records in accordance with Commission Rules and did not properly maintain its rental trust accounts resulting in possible shortfalls of as great as $19,988.09; and that in 2013 and 2014, the rental trust account was charged insufficient fund fees and other bank fees totaling $750, which were not reimbursed.

DEBRA J. HEPFER (Statesville) – By Consent, the Commission reprimanded Ms. Hepfer effective April 1, 2015. The Commission found that Ms. Hepfer discussed the purchase of

Continued

Real Estate Education and Recovery Fund Reimburses Victims

The North Carolina Real Estate Commission approved payments totaling $24,022 out of the Real Estate Education and Recovery Fund to seven applicants who suffered financial losses due to the misconduct of Jennie G. Wilkes of Canton, North Carolina, a North Carolina Real Estate Broker.

At its July 17, 2014, meeting, the Commission approved payments totaling $6,328 to two applicants and at its October 16, 2014, meeting, the Commission approved payments totaling $17,694 to five additional applicants.

The Commission accepted the permanent voluntary surrender of the broker license of Ms. Wilkes effective March 7, 2013.
real estate properties with a potential buyer and, after learning that the buyer would not qualify for a loan, introduced the buyer to a real estate investor who would purchase the property and, in turn, finance the sale of it to the buyer; that Ms. Hepfer acted as buyer agent for the investor in the purchase of the property while keeping in communication with the buyer about the closing process; that Ms. Hepfer never delivered or discussed a Working With Real Estate Agents brochure with the buyer, making it unclear to the buyer exactly who Ms. Hepfer was representing; that the buyer had agreed to pay the $1,000 Earnest Money Deposit, $450 appraisal fee, and other repairs on the property; that Ms. Hepfer collected the funds in cash from the buyer and delivered them to the investor without placing the money in an account designated as trust or escrow; and that after the investor purchased the property, the oral agreement to finance the purchase of the property fell apart, and the investor has refused to refund monies paid by the buyer.

ERNEST FILMORE HILL III (Henderson) – By Consent, the Commission reprimanded Mr. Hill effective March 18, 2015. The Commission found that Mr. Hill, on January 30, 2014, pleaded guilty to misdemeanor first degree trespassing and was sentenced to 30 days incarceration which was fully suspended, 18 months supervised probation, and ordered to pay $1,144.50; that Mr. Hill reported the plea and sentence to the Commission within 60 days, but failed to provide a narrative regarding the incident or a certified copy of the judgment against him; and that Mr. Hill failed to respond to three letters of inquiry from the Commission requesting the missing information.


STANLEY BERNARD JONES (Raleigh) – By Consent, the Commission suspended the broker license of Mr. Jones for a period of 21 months effective January 1, 2015. Ten months of the suspension were active with the remainder stayed for a probationary period ending October 1, 2016. The Commission found that, following a hearing on August 8, 2013, the Commission issued Findings of Fact and an Order in which Mr. Jones received two years suspension with three months active suspension and the remainder stayed if Mr. Jones met specified criteria by June 1, 2014; that the Order included a condition that if Mr. Jones violated the Real Estate License Law or Commission rules within the active stayed suspension period, the remaining term of the stayed suspension would become active; and that on and around October 11, 2013, Mr. Jones knowingly engaged in brokerage activities while his license was actively suspended.

LAKE GASTON RENTAL HOMES LLC (Littleton) – The Commission accepted the permanent voluntary surrender of the firm license of Lake Gaston Rental Homes effective March 1, 2015. The Commission dismissed without prejudice allegations that Lake Gaston Rental Homes violated provisions of the Real Estate License Law and Commission rules. Lake Gaston Rental Homes neither admitted nor denied misconduct.

CONAN R. MCCLAIN (Raleigh) – By Consent, the Commission suspended the broker license of Mr. McClain for a period of 12 months effective April 1, 2015. The Commission then stayed the suspension for a probationary period of 12 months. The Commission found that Mr. McClain, currently the Broker-in-charge of a sole proprietorship, performed development, management, and leasing services on commercial units located at a development from 2006-2012; that Mr. McClain could not produce a copy...
Real Estate Bulletin May 2015

JAMES M. MCCLURE (Raleigh) – The Commission accepted the permanent voluntary surrender of the broker license of Mr. McClure effective March 18, 2015. The Commission dismissed without prejudice allegations that Mr. McClure violated provisions of the Real Estate License Law and Commission rules. Mr. McClure neither admitted nor denied misconduct.

CECIL A. PARKER, JR. (Smithfield) – By Consent, the Commission suspended the broker license of Mr. Parker for a period of 18 months effective March 1, 2015. The Commission then stayed the suspension for a probationary period of 18 months. The Commission found that Mr. Parker, acting as a listing broker, failed to disclose that a major highway expansion would affect his listed property; that a buyer attended a public hearing after closing on Mr. Parker’s listed property at which the buyer was informed that, depending upon the chosen route, the buyer’s property would either be taken by the State of North Carolina or be within 0.5 mile of the highway.

RANDALL E. ROBINSON (Littleton) – By Consent, the Commission suspended the broker license of Mr. Robinson for a period of 18 months effective February 19, 2015. One month of the suspension was active with the remainder stayed for a probationary period ending September 19, 2016. The Commission found that Mr. Robinson, until February 2014, was broker-in-charge for a real estate brokerage firm; that while Mr. Robinson was broker-in-charge of the firm, it managed no more than 10 properties at any one time; that Mr. Robinson relied on assurances from the firm’s qualifying broker, a Certified Public Accountant, that trust account records were being maintained in accordance with the Commission rules, but failed to personally ensure that rental management and vacation rental agreements complied with Commission Rules and that vacation rental agreements complied with the NC Vacation Rental Act, the NC Tenant Security Deposit Act, and Commission Rules; that Mr. Robinson allowed the firm to manage rental properties under expired management agreements and, in some cases, without management agreements; and that Mr. Robinson failed to properly review advertising agreements made by provisional brokers on behalf of the firm.

JOAN ELLEN RUSSELL (Hendersonville) – By Consent, the Commission reprimanded Ms. Russell effective March 1, 2015. The Commission found that Ms. Russell, as qualifying broker and broker-in-charge of a real estate brokerage firm, was responsible for a trust account that contained an overage of $1,112.49 in the tenant security deposit account and an overage of $328.82 in the rental trust account, and that Russell Properties failed to maintain accurate records in accordance with Commission trust account rules.

RUSSELL PROPERTIES OF NC, INC. (Hendersonville) - By Consent, the Commission reprimanded Russell Properties effective March 1, 2015. The Commission found that Russell Properties, a real estate brokerage firm, held trust accounts that contained an overage of $1,112.49 in the tenant security deposit account and an overage of

Continued
Mr. Snover's company was the winning bidder on the property through a foreclosure sale, which was set aside in April 2012 by the court, but Mr. Snover was later successful in purchasing the 1st lien on the property in July 2012.

**ROBERT W. STEELE II** (Jacksonville) – By Consent, the Commission reprimanded Mr. Steele effective April 1, 2015. The Commission found that Mr. Steele, in 2008, purchased a lot in a residential subdivision; that at the time of the purchase the street providing access to the property had been dedicated to public use, but had not been accepted by the State for maintenance; that Mr. Steele sold the property in May 2009; and that at no time did Mr. Steele disclose to the potential buyers that the street providing access to the property was a private street.

**UNITED MANAGEMENT, INC.** (Fayetteville) – By Consent, the Commission reprimanded United Management effective June 1, 2015. The Commission found that the broker-in-charge of United Management in and around 2013 failed to properly oversee tenant security deposit accounts which allowed an unlicensed employee to embezzle approximately $3,542 of client monies within one year; and that upon discovering the embezzlement, United Management notified the county Sheriff’s Office and the Real Estate Commission and replaced all client monies immediately.