



REAL ESTATE BULLETIN

Volume 43 • May 2012 • Number 1

Topics for 2012-13 Update, BICAR Courses

“Green building,” permit requirements, and summary ejectment procedures will be the primary topics of the 2012-2013 Real Estate *Update Course*.

“Green building” will explore what is meant by the term, by whose definition, how it may be assessed, and its relative costs and benefits. Related to building or renovating is the issue of permits and when they are required. General permitting requirements will be discussed and then applied to several different fact situations for licensees to determine if a permit might be required.

Consistent with the intent to include content relevant to property management, next year’s Update will provide an overview of the laws governing summary ejectment and the procedure for eviction. (See **Update**, page 3)

License Renewals Begin May 15; Renew Online for Fastest Service

Watch your mail for that familiar blue and white postcard with the Commission seal! That’s your reminder to renew your North Carolina real estate license.

The annual renewal period begins May 15, with online access at the Commission Web site, www.ncrec.gov, available beginning on that date, and ending June 30. Your renewal must be **received** by the Commission (not just deposited in the mail) by June 30.

The fee remains \$40, one of the lowest in the nation.

If your renewal is not physically received by June 30, your license status will

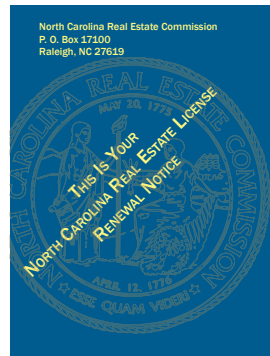
automatically be changed from active or inactive to expired, effective July 1. You

cannot engage in real estate brokerage with an expired license.

Between July 1 and December 31, you may reinstate your license by paying a \$55 reinstatement fee. After December

31, a new application, background report and fee are required. You may also be required to take additional education

(See **Renewal**, page 3)



NC Real Estate Broker
123 Any Street
Any Town, NC 27282

Foreclosure Sale Bid-Rigging Illegal

By *Thomas R. Miller, Former Legal Counsel, Director, and Special Deputy Attorney General*

A lot of homes are changing hands on the courthouse steps. Last year alone, more than 800,000 properties went through foreclosure and some analysts predict the number may soar to one million in 2012.

With so many foreclosure properties available, bargain hunters and investors are sometimes in fierce competition with each other. This is good because the purpose of a foreclosure sale is to maximize the sales price of a property to repay the lender and, if there is money left over, restore as much equity as possible to the defaulting homeowner.

High foreclosure prices are not, however, what most investors are looking for. Some bidders have resorted to illegal agreements among themselves to keep foreclosure property prices low. These can range from elaborate “give or take” arrangements, where one bidder pays another for the right to bid free from the other’s competing bid, to arrangements in which bidders agree to take turns bidding in successive sales – “I’ll-buy-this-one-and-you-buy-the-next-one” deals. Whether or not money changes hands and whether the agreement is formal or informal, all such arrangements are felonies under the federal Sherman Anti-Trust Act, 15 U.S.C.A. §1.

The Sherman Act declares every

“contract, combination..., or conspiracy in restraint of trade or commerce among the several states....” to be illegal. You might think that a sale which occurs on the steps of a county courthouse was so local a matter that it could not trigger the statute under the “among the several states” language, but that issue was settled long ago by the courts. Not only do foreclosure sales often involve the rights of a lender located in a state other than the state where the property is located, the sale is part of the machinery of a system of interstate financing and debt servicing.

Penalties under the law are severe. Violators may be fined up to \$1,000,000

(See **Bid-Rigging**, 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.

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People

Janet B. Thoren has been named



Director, Legal Counsel, of the Commission's Legal Division. She joined the Legal Division in 1997 and for a brief period served as Director of Legal Resources for the Association of Real Estate License Law Officials (ARELLO). She is also designated by the U.S. Justice Department as a Special Assistant United States Attorney for the Western District of North Carolina.

Sarah E. Harding, has been em-



ployed as Legal Case Management Specialist in the Legal Division. She holds an Associate of Applied Science in Paralegal Studies and has been in the legal field since 2007.

To request a speaker from the Commission, please submit the "Request for Program Presenter" form available on the Commission's Web site, www.ncrec.gov.

Appearances

Janet Thoren, Director, Legal Counsel, of the Legal Division, spoke to the Wake County Real Property Lawyers Association.

Charlene D. Moody, Deputy Chief Legal Counsel, spoke to the High Point Regional Association of REALTORS®.

Peter B. Myers, Information Officer, spoke at the Greenville Area Property Managers Associations' Security Deposit Seminar.

Betsy Penney, Information Officer, spoke to the Burlington Alamance Association of REALTORS®.

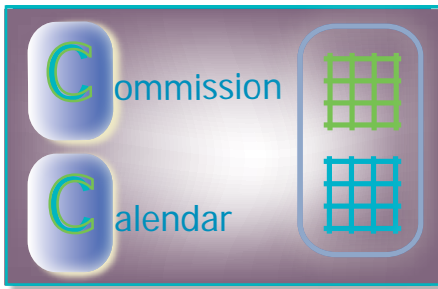
Glenn M. Wylie, Information Officer, spoke at the Annual Broker-in-Charge Meeting of the Highland-Cashiers Board of REALTORS® and to the Jacksonville Board of REALTORS®.



North Carolina Real Estate Commission
REAL ESTATE BULLETIN
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Web Site Bulletin Archives Expanded

Every edition of the *Real Estate Bulletin* since its inception in the spring of 1970 is now available in searchable PDF format on the Commission's Web site, www.ncrec.gov. To access the archives, open the Commission's Home page, click on "Publications/Bulletins" and then on "Bulletins." The files are divided into two sections - those published in the last five years (current) and those published previously (archives). The *Bulletins* and other files on the Web site can also be searched using the general "Search" function at the top of the Home page; this search method will yield links to current *Bulletins* only. Or, click on the link to "Search the Current Bulletins" or "Search the Bulletin Archive" in the Bulletin archive section of the Web site.



June 13
July 11
August 8
September 5
October 10

All meetings, unless otherwise noted, begin at 9 a.m. and are held in Raleigh in the Commission's Conference Room at 1313 Navaho Drive (27609). Occasionally, circumstances necessitate changes in meeting times and locations.

Renewal

(Continued from page one)

or pass the license examination in order to reinstate.

Keep in mind that this year, June 30 falls on a Saturday. The Commission office will be closed on that date. We will, however, pick up mail at the post office and any renewals from that collection will be considered as having been received by the deadline.

When you renew online - by far, the fastest, most efficient method - log in with your license number and personal identification number (PIN). The last

four digits of your Social Security number will be your PIN unless you have changed it.

A confirmation screen appears when you have completed your renewal correctly online. Print it for your records. While online, check your Commission record to update your fax, email and residence addresses, if needed.

You may renew prior to completing your continuing education requirements, however, brokers on active status must complete eight hours of continuing education, including the four-hour *Update Course*. If you are a broker-in-charge, you must also take the four-

hour *BICAR Course*, which will serve as your elective. Keep in mind that your continuing education credits for recently completed education may not be reflected in your online record or on the address label of this *Bulletin* which is prepared as much as two or more weeks in advance of your receipt in the mail.

If you have not completed your continuing education, you must do so by June 10. There are no continuing education classes between June 11 and 30. Brokers-in-charge should be certain that any agents under their supervision have completed their continuing education and renewed their licenses.

Update

(Continued from page one)

ing tenants from and lawfully regaining possession of residential rental properties. These laws apply to *all* residential landlords and thus include brokers who either manage residential property for others or who own their own residential rental property. If pending legislation revising residential landlord-tenant law passes before September, then coverage of important aspects of that legislation will be included.

The *Update Course* will also touch briefly upon the following subjects: changes in Real Estate License Law and/

or Commission rules impacting licensees, including the revised Residential Property Disclosure Statement, an alert about bid-rigging in foreclosure sales and recent real estate scams, and a discussion about a licensee's duty of confidentiality to his/her principal.

2012-13 BICAR Course

Next year's BICAR Course will feature a review of selected Commission disciplinary cases and address selected administrative and supervisory matters related to a broker-in-charge's responsibilities, including various record retention requirements imposed by Real Estate License Law and rules as well as those of the Internal Revenue Service, the Department

of Labor or other governmental agencies regarding what documents must be kept, in what forms, and how long. A related topic will cover issues arising from "independent contractor" status including tax, civil liability, and agency law perspectives, as well as worker compensation matters.

Problem areas BICs encounter in supervising both their associated agents and the content of actual advertising will be discussed including examples from advertisements.

Broker-in-Charge and Basic Trust Account Procedures Courses

Please see the Commission Web site, www.ncrec.gov, under Course Registration, for locations, dates, and times from July thru December, 2012.

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

Practicing More Property Management? Take Another Look at Fair Housing Law

By S. Adam Stallings, Deputy Legal Counsel



If you find your real estate practice expanding into the management and marketing of rental properties and the securing of tenants for your owner clients, you should make it a point to refresh your knowledge of Fair Housing law.

Tenant rights and leasing and rental agreements are key areas of federal and state Fair Housing laws and an understanding of how the law treats them will enable you to provide your clients with appropriate counsel and to steer clear of possible legal issues.

The original Fair Housing Act (Title VIII of the Civil Rights Act of 1968) and the Federal Fair Housing Amendments Act of 1988, together, prohibit discrimination in the sale, rental or advertising of a dwelling on the basis of race, color, religion, sex, national origin, familial status (such as the presence of children under 18 years old and pregnant women), or handicapping conditions. The North Carolina Legislature enacted the State Fair Housing Act, found in Chapter 41A of the General Statutes, which conforms to federal law. It empowers the North Carolina Human Relations Commission to enforce the laws.

Take note that under these laws, whether you are involved with a sale or a rental, it is unlawful to take any action which results in discrimination *or to allow others to act* in such a manner. Examples include:

- Refusing to rent or sell housing;
- Refusing to receive or transmit a bona fide offer to engage in a real estate transaction;
- Making housing unavailable;
- Denying a dwelling;
- Setting different terms, conditions or privileges for the sale or rental of a dwelling;
- Providing different housing services or facilities;

- Falsely denying that housing is available for inspection, sale, or rental;
- For profit, persuading owners to sell or rent (blockbusting); or
- Denying anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

If you discover that the property owner, tenant, seller, or buyer that you represent intends to discriminate based on any of the protected classes, you must immediately consider terminating your agency agreement with that party or risk violating the law and losing your license. Intent has no impact on whether the broker is subject to penalty under the Fair Housing Act; the Human Relations Commission has sought civil damages and penalties against individuals whose conduct or statements merely implied or tended to suggest discriminatory intent.

Managing rental properties involves the accommodation of needs resulting from physical or mental disabilities. People with hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, and mental retardation, disabilities that limit one or more major life activities, are protected under both state and federal statutes. Thus, it may be necessary for the property owner to modify a dwelling at the disabled person's expense or allow a disabled tenant to do so.

Modifications to accommodate tenant disabilities within a dwelling may require the tenant to restore the unit to the original condition if the modifications interfere with the landlord's or future tenants' use of the premises. External changes, however, such as a wheelchair ramp leading up to an entrance, are precluded from restoration when the lease or rental terminates.

It is unlawful to refuse to make reasonable accommodations in rules, poli-

cies, practices or services if necessary for the disabled person to use the housing. Below are a few important examples of necessary accommodations you may need to tell a landlord:

- A building with a no-pet policy must allow a visually impaired tenant to keep a guide dog. A therapy animal must be allowed to reside with a tenant who produces evidence of a prescription or note from their doctor or therapist regarding their need for the animal.
- An apartment complex that offers tenants ample, unassigned parking must honor a request from a mobility-impaired tenant for a reserved space near the tenant's apartment, if necessary, to ensure access.

Familial status is another protected class under the housing laws. Unless a community qualifies as housing for older persons, it may not discriminate based on familial status. This means you cannot discriminate against families in which one or more children under the age of 18 live with:

- A parent;
- A person who has legal custody of the child or children; or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18. An apartment complex violates the law if it attempts to segregate families with children to a certain building or area in the complex.

Foreclosures and Tenant Termination Rights

The law in North Carolina allows tenants residing in a property, containing less than 15 rental units and being sold in a foreclosure proceeding, to terminate the lease and move out without penalty or breach of the lease. The only requirement under this law, found in N.C.G.S. §42-45.2, is that the tenant must set the termination date at least 10 days or more after the date the notice of sale is filed with the Clerk of Superior Court.

With foreclosures, tenants may not want to move out immediately after a foreclosure sale. Given the volume of foreclosures in recent years, a federal law known as the Protecting Tenants at Foreclosure Act of 2009 was enacted, which allows some residential leases to survive a foreclosure. Thus, tenants have the option to remain in their home until the end of their current lease and month-to-month tenants are entitled to a 90-day notice before having to move out. However, in cases where the buyer of the foreclosed property intends to live in the property instead of buying it as an investment or rental property, the law allows the buyer to terminate any remaining lease term, but still affords the tenant a 90-day notice to vacate the home.

Without a doubt, one or more of the laws discussed above will govern many of the real estate transactions every broker encounters. Having knowledge of these laws and ensuring that others understand their rights and obligations under these statutes will help protect consumers and make you a better real estate broker. Should you have any questions or concerns about a real estate transaction that concerns fair housing laws, the North Carolina Human Relations Commission may be reached at (919) 807-4420 or toll free at 1-866-324-7474.

Aside from the Acts and statutes cited earlier, two excellent sources of information and discussion of the Fair Housing law are:

North Carolina Real Estate Manual (see order form in this issue of the *Bulletin*)

Commission brochure: *Questions and Answers on: Fair Housing*



A Century of Service to the Commission

Seven staff members of the Real Estate Commission received awards recently for a total of 100 years of service. Shown with Commission Chairperson Benjamin Cone III (far left) and Vice Chairperson Alice Mosteller (far right) are (l. to r.) April M. Conyers, Information Specialist, five years; Amber E. Cloutier, Information Specialist, five years; Emmet R. Wood, Director, Audits and Investigations, 30 years; Jennifer K. Boger, Senior Auditor/Investigator, 20 years; Karissa B. Sluss, Paralegal, five years; and Stephen L. Fussell, Senior Consumer Protection Officer, 20 years. Not shown is Faye E. Ray, Receptionist, 15 years.

Working From Home

By Stephen L. Fussell, Senior Consumer Protection Officer

Many firms are encouraging or even requiring full broker associates to work from their homes in order to reduce the expense of corporate office space. In addition, more brokers than ever before are choosing to work at home because of the convenience of doing so. For these reasons, the Commission wants brokers and brokers-in-charge to be aware of certain limitations and responsibilities.

A broker on provisional status is required to work under the active supervision of a (BIC) and, therefore, must conduct most business from the BIC's office. The amount of time that can be spent working at home is largely restricted. If a provisional broker is working excessively at home, the BIC and the broker are not satisfying the requirements of the Commission's rule.

Any BIC with one or more provisional brokers as associates must provide work space to satisfy the supervisory requirement. While provisional brokers may make occasional telephone calls from their homes and the like, most of their activities must be performed in the offices of their BIC's.

Full brokers who are associated with a firm may work from home as much as they desire provided that they deliver to their BIC's any agency agreements, transaction documents and trust monies in a timely manner.

As a practical matter, a full broker must visit or at least communicate with the corporate office regularly to attend to firm-related matters and to receive mail, especially that from the Commission which is sent to a broker's business address of record. If the Commission sends a Letter of Inquiry, a communication often arising from a complaint, a response is required within fourteen (14) days of receipt.

Among the attractions of real estate brokerage have been the opportunities for brokers to control their work schedules and to choose their work locations. At the same time, brokers and BIC's need to be aware of and adhere to these guiding rules and practices relating to working from home.

Bid-Rigging

(Continued from page 1)

and sentenced up to ten years in prison. If the violator is a corporation, the maximum fine is \$100,000,000.

In one case that reached the United States Court of Appeals for the Fourth Circuit (the circuit that includes North Carolina), a handful of real estate speculators participated in a conspiracy to hold down the price of properties sold at foreclosure auctions by agreeing not to bid against each other. The court characterized the activity as "bid-rigging." The speculators agreed among themselves that only one of the group would bid on and purchase a foreclosure property. Afterwards, the group would meet and hold another entirely private auction amongst themselves. The high bidder would be awarded the property and the profit from the private sale was shared out among all the members of the group. The conspirators were careful to keep their arrangements informal so as to leave no paper trail. In all, the group members purchased about ten properties.

In spite of their precautions, the conspiracy was discovered and members of the group were charged and convicted of Sherman Act violations. United States v. Romer, 148 F.3d 359 (4th Cir. 1998).

Attorneys from the Antitrust Division of the United States Attorney's Office in Atlanta have advised the Real Estate Commission that incidents of bid-rigging in foreclosure sales are on the rise across the country. With the increase in bid-rigging has come a new emphasis on enforcement and prosecution. In just the last few months, federal authorities have pursued dozens of cases from coast to coast. A probe in northern California has netted at least 20 investors in bid-rigging schemes. Similar investigations have resulted in guilty pleas and convictions in Alabama, New Jersey, and even North Carolina.

The FBI and U.S. Attorney's Office aren't the only agencies on the lookout for foreclosure bid-rigging conspiracies. The Consumer Protection Division of the North Carolina Attorney General's



Beware of Use of Existing Surveys

An Article by the Surveying Committee of the NC Board of Examiners for Engineers and Surveyors

Knowledge of survey plats is essential to your real estate practice. Prepared by Professional Land Surveyors (PLS) in North Carolina, survey plats are visual records of properties *at the time* the surveys were performed.

Whether you list a property or research one for a prospective buyer, you should caution your client to be certain that any existing plat prepared by a surveyor in the past is a true description of the property in the present.

The accuracy of any survey plat, as a snapshot in time, is only assured by the licensed surveyor on the date of performance of the survey. At any time, afterward, changes can occur, including, but not limited to:

- Alteration of property corners
- Encroachment of buildings or fences or other structures
- New easements
- Violations of current zoning laws
- Revised buffer and flood zones
- Sale of part of the property
- Reshaping of impervious surface area

Relying on plats that do not reflect changes occurring since the last survey has the potential to harm the purchaser of the property and the public. Historical survey plats, especially, are more likely not to provide the purchaser with the current accuracy of the boundaries or of any potential liabilities that may have evolved over time.

A map of survey must meet the North Carolina Board of Examiners for Engineers and Surveyors Board Rules, specifically 21 NCAC 56.1604 (Office of Administrative Hearings, www.ncoah.com/rules) and, if the plat is going to be recorded in a county Register of Deeds office in a plat book, North Carolina General Statute 47-30 (North Carolina General Assembly, www.ncleg.net). The Board Rules and Statutes, including GS 47-30, are available from the Board's Web site at www.ncbels.org.

Survey plats can be prepared on three map sizes, 18" x 24", 21" x 30", and 24" x 36". At a minimum, each county Register of Deeds must accept the 18" x 24" size. Plats prepared to meet board rules do not have a size requirement, but the size of a map must permit all details to be legible on a copy. If a plat is going to be recorded as an attachment to a deed, the size requirement is no larger than 8½" x 14".

A sample GS 47-30 plat can be found at www.ncbels.org/forms/Sample_PLAT.pdf.

For any questions or help when ordering or using surveys please contact the Board of Examiners for Engineers and Surveyors at (919) 791-2000 or visit the Web site at www.ncbels.org.

Office has also broken up a couple of schemes, requiring the bidders to pay more than \$800,000 in civil damages.

North Carolina real estate brokers should take care to steer clear of any sort of anti-competitive arrangements between bidders in foreclosure sales. Not only do such arrangements prevent owners and lenders from getting a fair price, they are criminal felonies. With

penalties approaching \$1,000,000 in fines and up to ten years in prison, a broker who participates in or facilitates a conspiracy to restrain competitive bidding in a foreclosure sale will have much more to worry about than the revocation of his or her broker license.

George Bell, Jo Mangum Receive 2012 Educators Conference Awards

By Pamela R. Rorie, Continuing Education Officer

An enthusiastic crowd of real estate instructors, school officials and publisher representatives attended the 2012 Real Estate Educators Conference held in Raleigh on February 6 and 7. The Commission-sponsored meeting drew 175 participants from across the state for this year's event.

Anita Burt, Education and Examination Officer, opened the conference with an overview of the new, two-part real estate license examination and led a discussion of the exam "problem topics."

Education and Licensing Director Larry Outlaw reviewed with instructors the recently updated prelicense course syllabus and commented on various examination topics with suggestions for preparing students.

The North Carolina Real Estate Educators Association (NCREEA) held its spring meeting, officiated by President Dana Rhodes. Immediate Past President Jo-Ann C. Lavecchia presented the asso-

ciation's "Program of the Year" award to Jo Mangum for her continuing education elective course, *Strategic Pricing Specialist*, and its "Educator of the Year" award to George Bell, DREI. Nancy Keck and J. Y. Monk, long-time instructors and school directors, were presented "Emeritus" awards in recognition of their many years of service to real estate education in North Carolina.

Bell was also recipient of the Commission's Billie J. Mercer Excellence in Education Award, presented by Commission Chairperson Benjamin Cone III. This award is presented annually in memory of former Commission member and chairperson, Billie Mercer, who was especially dedicated to real estate education. The names of all award winners are engraved on the Mercer Award cup. It is displayed in the Commission's lobby. Commission Vice Chairman Alice Mosteller, and members Everett "Vic" Knight and S. R. "Buddy" Rudd, Jr. also attended the award presentation.

Concluding the NCREEA Awards presentation, instructor Bill Gallagher presided over a "roast" of Thomas R. Miller, retiring Commission Legal Counsel, Director, and Special Deputy Attorney General, who completed 30 years of service March 1.

The first-day afternoon session featured Len Elder, CEO and

Course Architect of *Course Creators*, who discussed teaching the "new" examination topics with specific emphasis on the government survey system and basic real estate investment calculations, and Lawrence J. Fabrey, PhD, Senior Vice President of Psychometrics, Applied Measurements Professionals, Inc. ("AMP"), who provided an introduction to AMP as the new examination provider and an overview of the candidate experience.

Dr. Fabrey opened the second day's sessions with a summary of the new examination. Patricia Moylan, Commission Legal Education Officer, discussed with participants their experiences in teaching this year's *Update* and *BICAR* courses and outlined the proposed topics for the 2012-2013 *Update* course. Lisa McQuillen, Education and Licensing Officer, reminded instructors and private school directors about upcoming renewals, and recognized prelicensing schools and instructors whose students had achieved outstanding performance on the license examination.

Ellie D. Edwards, Director of Professional Development for the North Carolina Association of REALTORS®, explained to instructors the procedures for both attaining various REALTOR® designations and for obtaining approval to instruct designation courses. Continuing Education Officer Pamela Rorie discussed current continuing education issues and reminded instructors and CE sponsors of upcoming renewal deadlines.

The conference concluded with the annual "Miscellaneous Legal Issues and Open Forum" session led by Commission Legal Counsel Miller.

The Commission thanks North Carolina's real estate educators for their continued interest and support, and congratulates George Bell, Jo Mangum, Nancy Keck, and J. Y. Monk for their achievements.



Len Elder



Commission Chairman Benjamin Cone III, left, presents the Billie J. Mercer "Educator of the Year" Award to George Bell.



Retired Commission Legal Counsel Tom Miller during "roast" with Executive Director Miriam Baer (right) and Legal Counsel Janet Thoren.

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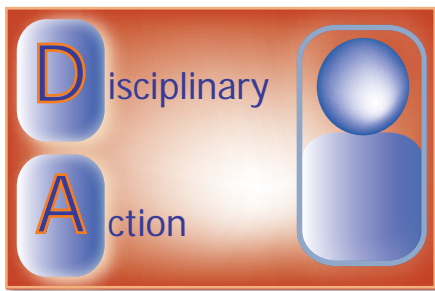
Security Code

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.



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.

TERRI B. ALLEN (Shallotte) – By Consent, the Commission suspended the broker license of Ms. Allen for a period of 18 months effective November 1, 2011. Four months of the suspension were active with the remainder stayed for a probationary period of one year beginning March 1, 2012. The Commission found that during 2008 Ms. Allen listed a house and lot for \$39,900, submitted an offer to purchase for \$35,000 to her seller client on behalf of an entity she owned and controlled, but failed to submit an offer from a competing purchaser for \$44,000 and failed to disclose her interest in the buyer entity. The Commission also found that during 2009, Ms. Allen listed a condominium and submitted an offer to purchase from a buyer client without informing her seller client of another firm's interest in making an offer and did not give the competing purchaser an opportunity to make an offer on the property as Ms. Allen promised.

ARNOLD G. ANDERSON (Marion) – By Consent, the Commission suspended the broker license of Mr. Anderson for a period of one year effective August 1, 2011. The Commission found that Mr. Anderson's certification as a residential appraiser by the North Carolina Appraisal Board was suspended by the Board for a period of five years effective January 1, 2010, with a stay allowed as of July 1, 2011, if Mr. Anderson completed certain conditions.

ASHEVILLE 4 SEASONS LLC (Asheville) - By Consent, the Commission reprimanded Asheville 4 Seasons effective March 1, 2012. The Commission found that Asheville 4 Seasons listed an unimproved lot and represented in the MLS system that a manu-

factured home could be placed on the lot, but failed to change the representation when shortly after listing the lot, a county-wide zoning ordinance was adopted which prohibited manufactured housing on the lot. The Commission also found that Asheville 4 Seasons acted as dual agent for the sale of the property and again represented to the buyer



that a mobile home could be put on the lot; the buyer learned of the restrictions on the lot after closing. The Commission noted that Asheville 4 Seasons refunded its commission to the buyer and has agreed to list the subject lot for the buyer at no charge.

BEACH VACATION PROPERTIES, INC. (Atlantic Beach) - The Commission accepted the voluntary surrender of the firm license of Beach Vacation Properties for a period of one year effective February 13, 2012. The Commission dismissed without prejudice allegations that Beach Vacation Properties violated provisions of the Real Estate License Law and Commission rules. Beach Vacation Properties neither admitted nor denied misconduct.

JEFFREY S. BEISER (Charlotte) – By Consent, the Commission reprimanded Mr. Beiser effective March, 1, 2012. The Commission found that Mr. Beiser, qualifying broker and broker-in-charge of a licensed real estate brokerage firm, acted as property manager for a landlord-client and disbursed rental proceeds before verifying that the rent checks had cleared, causing the proceeds checks to be returned for insufficient funds. The Commission noted that Mr. Beiser has ceased doing property management, allowed his firm's license to expire on June 30, 2011, and transferred his management contracts to another licensed broker and delivered all information and security deposits in a timely manner.

WILLIAM R. BREEN, JR. (Rutherfordton) – The Commission revoked the broker license of Mr. Breen effective February 23, 2012. The Commission found that Mr. Breen entered into a contract with a buyer for the purchase of a lot owned by Mr. Breen and his wife and, when the contract expired due to an unresolved boundary dispute, failed to return \$20,000 in earnest money to a buyer. The Commission also found that Mr. Breen borrowed \$50,000 against the vacant lot, but failed to make payments on the note and the property was later sold at foreclosure. Finally, the Commission found that Mr. Breen made misrepresentations to a District Court Judge of North Carolina and failed to respond appropriately and timely to written Letters of Inquiry from the Commission.

BONNIE F. BURHANS (Mars Hills) – By Consent, the Commission suspended the broker license of Ms. (See **Disciplinary**, page 11)

Disciplinary Action

(Continued from page 10)

Burhans for a period of one year effective April 1, 2012. The Commission then stayed the suspension for a probationary period of one year ending April 1, 2013. The Commission found that Ms. Burhans, acting as qualifying broker and broker-in-charge of a real estate firm until March 2009 when she closed the firm and cancelled its license, hired but failed to supervise an unlicensed bookkeeper, allowing the bookkeeper to embezzle trust money, and failed to review or reconcile trust records. The Commission also found that Ms. Burhans opened a new real estate brokerage firm in October 2009 under the same name as her previous firm and performed only buyer agency services, but failed to execute a written buyer agreement in one of two transactions.

KAREN CAMPBELL (Raleigh) – The Commission accepted the voluntary surrender of the broker license of Ms. Campbell for a period of three years effective April 5, 2012. The Commission dismissed without prejudice allegations that Ms. Campbell violated provisions of the Real Estate License Law and Commission rules. Ms. Campbell denied any misconduct.

JERRY CAMPBELL (Raleigh) – The Commission accepted the voluntary surrender of the broker license of Mr. Campbell for a period of three years effective April 5, 2012. The Commission dismissed without prejudice allegations that Mr. Campbell violated provisions of the Real Estate License Law and Commission rules. Mr. Campbell denied any misconduct.

CAROLINA PROPERTY ASSOCIATES (Holly Springs) – By Consent, the Commission suspended the firm license of Carolina Property Associates for a period of one year effective March 1, 2011. The Commission found that Carolina Property Associates, a real estate brokerage and property management firm, charged unauthorized fees

to home purchasers subject to the regimes of their association clients. The Commission also found that Carolina Property Associates failed to maintain homeowner association money in an exclusive trust account designated with the words “trust” or “escrow”, and failed to keep accurate and complete records of the monies they held for their landlord clients and their tenants. Finally, the Commission found that Carolina Property Associates, acting as a broker for homebuyers and sellers and as trustee for earnest money deposits, failed to

Licensees Must Report Convictions

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

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

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

keep accurate and complete records of clients’ monies in its care and failed to accurately and promptly account for the funds of others in its custody.

RODNEY CAVERLY (Mint Hill) - The Commission accepted the permanent voluntary surrender of the broker license of Mr. Caverly effective February 13, 2012. The Commission dismissed without prejudice allegations that Mr. Caverly violated provisions of the Real Estate License Law and Commission rules. Mr. Caverly neither admitted nor denied misconduct.

RICHARD D’ANJOLELL (Oak Island) - By Consent, the Commis-

sion reprimanded Mr. D’Anjolell effective May 1, 2012. The Commission found that Mr. D’Anjolell engaged Mr. D’Anjolell’s employing brokerage firm to manage a vacation rental property owned by a family member. The lender foreclosed on the property. Mr. D’Anjolell knew about the foreclosure but failed to inform his employer in a timely manner about the foreclosure, which resulted the family member collecting advanced rents on the property and Mr. D’Anjolell’s employing broker continuing to offer the property to tenants after ownership changed hands.

DICK PATTON REALTY CO., INC. (Durham) - By Consent, the Commission revoked the broker license of Dick Patton Realty Co. effective March 15, 2012. The Commission found that Dick Patton Realty Co., a property management firm, failed to maintain its trust account records in compliance with the Real Estate License Law and Commission rules and the liabilities exceeded the funds on hand by approximately \$87,000. The Commission noted that Dick Patton Realty Co. has fully funded the trust accounts.

DIRECTED ENDEAVORS, INC. (Hillsborough) – By Consent, the Commission reprimanded Directed Endeavors effective April 1, 2012. The Commission found that Directed Endeavors, a property management firm, failed to properly maintain trust account records as required by Commission rules in that check images did not show both sides of the checks, deposit tickets did not document the applicable tenant and the purpose of the funds, and rental trust account checks were not designated as trust account checks. The Commission also found that Directed Endeavors operated its tenant security deposit account on a shortage of \$33,580. The Commission noted that the firm placed funds in the account to cover the shortage.

DAVID B. DOWNING (Kitty Hawk) – By Consent, the Commission suspended the broker license of (See **Disciplinary**, page 13)

Disciplinary Action

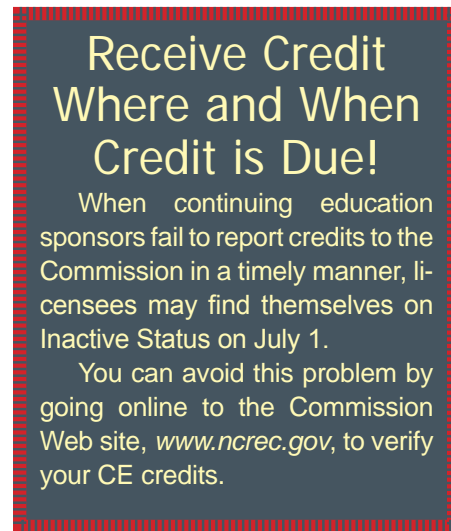
(Continued from page 11)

Mr. Downing for a period of twenty-four months effective December 15, 2011. Two months of the suspension were active with the remainder stayed for a probationary period of twenty-four months. The Commission found that Mr. Downing, acting as broker-in-charge of a real estate brokerage firm and rental agent for rental properties, deducted monies from the security deposits of successive tenants in the same property for damages for which they were not responsible or which did not exist and charged tenants for repairs which were not made or which did not cost as much as the money deducted from the tenants' deposits. The Commission also found that Mr. Downing failed to maintain complete records of rental transactions and could not in every instance produce receipts or other documents to account for deductions made from tenant security deposits.

BEATRICE HOKE FAIR (Mathews) – By Consent, the revoked the broker license of Ms. Fair effective April 5, 2012. The Commission found that Ms. Fair, in 2007 and 2008, sold two properties to the same buyer and inflated the purchase price of the properties to hide kickbacks to the buyer and that two large payments represented on the closing statement as payoffs were in fact false and were actually made to provide down payments for the buyer. The Commission also found that another payment was misrepresented as being to a construction company, which was actually set up to receive the funds, all without the lenders' knowledge.

LONNIE W. GLASPIE, JR. (Clinton) – By Consent, the Commission suspended the broker license of Mr. Glaspie for a period of one year effective April 1, 2012. The Commission then stayed the suspension for a probationary period of one year through March 31, 2013. The Commission found that Mr. Glaspie represented a buyer and seller as a dual agent in a transaction in which a

tenant purchased the home he had been renting and failed to enter into a written agency agreement with either the buyer or the sellers. The Commission also found that although Mr. Glaspie acted as a dual agent in the transaction, he failed to obtain the written permission of the buyer or sellers to represent them both in the transaction. Finally, the Commission found that Mr. Glaspie failed to advise the sellers that they needed to provide the buyer with a Res-



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idential Property Disclosure Statement or a lead-based paint hazard disclosure.

MONROE T. GUALTNEY (Harrisburg) - The Commission accepted the voluntary surrender of the broker license of Mr. Gualtney for a period of four years effective February 13, 2012. The Commission dismissed without prejudice allegations that Mr. Gualtney violated provisions of the Real Estate License Law and Commission rules. Mr. Gualtney neither admitted nor denied misconduct.

NICHOLAS ANDREW JAMES (Knoxville, Tennessee) – By Consent, the Commission suspended the broker license of Mr. James for a period of eight months effective April 15, 2012. The Commission found that Mr. James entered into an agreement with a licensed North Carolina real estate firm to sell real estate in the state and then undertook a course of conduct that would share compensation of the sales

commission with an unlicensed marketing firm with principal offices in Knoxville, Tennessee, and of which he was a member, manager or otherwise held an interest.

JAMES WILLS REALTY, LLC (Durham) – The Commission accepted the permanent voluntary surrender of the firm license of James Wills Realty effective April 15, 2012. The Commission dismissed without prejudice allegations that James Wills Realty violated provisions of the Real Estate License Law and Commission rules. James Wills Realty neither admitted nor denied misconduct.

JESSICA LEWIS LEONARD (Knoxville) – The Commission accepted the voluntary surrender of the broker license of Ms. Leonard for a period of one year effective April 5, 2012. The Commission dismissed without prejudice allegations that Ms. Leonard violated provisions of the Real Estate License Law and Commission rules. Ms. Leonard neither admitted nor denied misconduct.

SUE A. LEWIS (Atlantic Beach) – The Commission accepted the voluntary surrender of the broker license of Ms. Lewis for a period of one year effective February 13, 2012. The Commission dismissed without prejudice allegations that Ms. Lewis violated provisions of the Real Estate License Law and Commission rules. Ms. Lewis neither admitted nor denied misconduct.

SUSAN M. LODATO (Asheville) – By Consent, the Commission reprimanded Ms. Lodato effective March 1, 2012. The Commission found that Ms. Lodato co-listed an unimproved lot and represented in the MLS system that a manufactured home could be placed on the lot, but failed to change the representation when shortly after listing the lot, a county-wide zoning ordinance was adopted which prohibited manufactured housing on the lot. The Commission also found that Ms. Lodato
(See **Disciplinary**, page 13)

Disciplinary Action

(Continued from page 12)

acted as dual agent for the sale of the property and again represented to the buyer that a mobile home could be put on the lot; the buyer learned after closing of the restrictions on the lot. The Commission noted that Ms. Lodato refunded her commission to the buyer and has agreed to list the subject lot for the buyer at no charge.

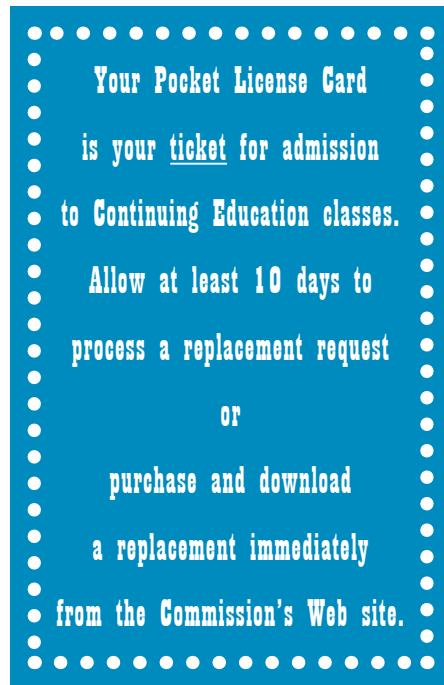
DAZZELL LORENZO MATTHEWS, SR. (Charlotte) – The Commission accepted the voluntary surrender of the broker license of Mr. Matthews for a period of one year effective April 5, 2012. The Commission dismissed without prejudice allegations that Mr. Matthews violated provisions of the Real Estate License Law and Commission rules. Mr. Matthews neither admitted nor denied any misconduct.

VICKIE N. MCDANIEL (Hillsborough) – By Consent, the Commission reprimanded Ms. McDaniel effective April 1, 2012. The Commission found that Ms. McDaniel, acting as broker-in-charge and qualifying broker of a property management firm, failed to properly maintain trust account records as required by Commission rules in that check images did not show both sides of the checks, deposit tickets did not document the applicable tenant and the purpose of the funds, and rental trust account checks were not designated as trust account checks. The Commission also found that Ms. McDaniel operated the firm's tenant security deposit account on a shortage of \$33,580, which had existed for several years and dated to before Ms. McDaniel became broker-in-charge. The Commission noted that Ms. McDaniel placed funds in the account to cover the shortage.

RENE LYNN MERWIN (Raleigh) – The Commission accepted the voluntary surrender of the broker license of Ms. Merwin for a period of three years effective April 5, 2012. The Commis-

sion dismissed without prejudice allegations that Ms. Merwin violated provisions of the Real Estate License Law and Commission rules. Ms. Merwin neither admitted nor denied any misconduct.

JAMIE P. MOSS-GODFREY (Rockingham) – By Consent, the Commission suspended the broker license of Ms. Moss-Godfrey for a period of



one year effective March 15, 2012. The Commission then stayed the suspension on certain conditions. The Commission found that Ms. Moss-Godfrey, acting as broker-in-charge of a real estate brokerage firm, admitted in 2009 to accessing an email account from a computer in her office and viewing private and personal emails of a former employee.

MOUNTAIN LIFE REALTY LLC (Highlands) – By Consent, the Commission suspended the firm license of Mountain Life Realty for a period of 18 months effective April 1, 2012. The Commission found that Mountain Life Realty, acting as buyer agent for two buyers to purchase two real estate developments, failed to provide the buyers with a "Working With Real Estate Agents" disclosure, and failed to obtain a written agency agreement with either party. The Commission also found that

the buyers entered into a contract to purchase the properties, but the transaction did not close, and one of the buyers and another entity subsequently purchased the properties; Mountain Life Realty pursued a claim for a commission against the buyer asserting that it was the buyer's agent.

GAIL R. MUNSON (Raleigh) – By Consent, the Commission revoked the broker license of Ms. Munson effective March 8, 2012. The Commission found that Ms. Munson performed a number of Broker Price Opinions (BPOs) for various lending institutions and their agents and failed to obtain listing agreements to sell any of the properties examined and failed to confirm with her BPO clients that she had a reasonable opportunity to list the properties on which she performed the BPOs. The Commission also found that Ms. Munson should have known that she had no reasonable opportunity to list the properties on which she performed the BPOs.

NC REAL ESTATE SERVICES CORP (Clinton) - By Consent, the Commission suspended the firm license of NC Real Estate Services for a period of one year effective April 1, 2012. The Commission then stayed the suspension for a probationary period of one year through March 31, 2013. The Commission found that NC Real Estate Services represented a buyer and seller as a dual agent in a transaction in which a tenant purchased the home he had been renting and failed to enter into a written agency agreement with either the buyer or the sellers. The Commission also found that although NC Real Estate Services acted as a dual agent in the transaction, it failed to obtain the written permission of the buyer or sellers to represent them both in the transaction. Finally, the Commission found that NC Real Estate Services failed to advise the sellers that they needed to provide the buyer with a Residential Property Disclosure Statement or a lead-based paint hazard disclosure.

(See **Disciplinary**, page 14)

Disciplinary Action

(Continued from page 13)

ATUL G. PATHAK (Charlotte) – By Consent, the Commission revoked the broker license of Mr. Pathak effective February 13, 2012. The Commission found that Mr. Pathak incorporated a firm to perform brokerage and property management services, but failed to license the corporation as a real estate firm. The Commission also found that Mr. Pathak failed to enter into written property management agreements but performed property management services for clients. The Commission further found that Mr. Pathak failed to maintain rental records and trust accounts for rental proceeds or security deposits and instead deposited these funds into his personal bank account and converted these rent funds for his own uses.

CLARENCE R. PATTON (Durham) – By Consent, the Commission revoked the broker license of Mr. Patton effective March 15, 2012. The Commission found that Mr. Patton, acting as broker-in-charge of a property management company, failed to maintain his trust account records in compliance with the Real Estate License Law and Commission rules and the liabilities exceeded the funds on hand by approximately \$87,000. The Commission noted that Mr. Patton has fully funded the trust accounts.

ROBIN A. PUCKETT (Cornelius) – By Consent, the Commission suspended the broker license of Ms. Puckett for a period of three months effective April 1, 2012. The Commission then stayed the suspension. The Commission found that Ms. Puckett listed a house and lot and advertised the property as having four bedrooms and four bathrooms when the permit for the property allowed only three bedrooms and 3½ baths. The Commission also found that Ms. Puckett failed to discover and disclose the permitted bedrooms and bathrooms to the purchaser.

VICKI P. ROBERTS (Asheville) – By Consent, the Commission reprimanded Ms. Roberts effective May 1, 2012. The Commission found that Ms. Roberts, as listing agent for an unimproved lot, knew of issues relating to the lot, which were discovered by a prospective buyer who cancelled a contract to purchase it, and failed to disclose those issues to a second purchaser who only discovered the problems after closing. The Commission noted that Ms. Roberts refunded her commission to the purchaser.

RPM GROUP BROKERAGE, LLC (Knoxville, Tennessee) – By Consent, the Commission permanently revoked the firm license of RPM Group Brokerage. The Commission found that RPM Group Brokerage contracted with an unlicensed firm which shares a common, unlicensed owner to sell real estate in North Carolina and then undertook a course of conduct that would share compensation from the sales commission with the unlicensed firm.

CHARLIE E. RUNION (Greenville) – By Consent, the Commission suspended the broker license of Mr. Runion effective February 15, 2012 for a period of one month ending March 15, 2012. The Commission found that Mr. Runion renewed his nonresident North Carolina license on active status on May 16, 2011, certifying that he held a current license in his home state, but unknowingly had allowed his home state license to expire.

DAVID SCHEERER (Highlands) – By Consent, the Commission suspended the broker license of Mr. Scheerer for a period of 24 months effective December 1, 2011. The Commission found that Mr. Scheerer, acting as buyer agent for two buyers to purchase two real estate developments, failed to provide the buyers with a “Working With Real Estate Agents” disclosure, and failed to obtain a written agency agreement with either party. The Commission also found that the buyers entered into a contract to purchase the properties, but the

transaction did not close, and one of the buyers and another entity subsequently purchased the properties; Mr. Scheerer, acting as broker-in-charge of his real estate brokerage firm, pursued a claim for a commission against the buyer, asserting that he was the buyer’s agent.

SEA BREEZE REALTY OF THE OUTER BANKS, LLC (Kitty Hawk) - By Consent, the Commission suspended the firm license of Sea Breeze Realty for a period of twenty-four months effective April 15, 2011. The Commission then stayed the suspension for a probationary period of twenty-four months. The Commission found that Sea Breeze Realty, acting rental agent for rental properties, deducted monies from the security deposits of successive tenants in the same property for damages for which they were not responsible or which did not exist and charged tenants for repairs which were not made or which did not cost as much as the money deducted from the tenants’ deposits. The Commission also found that Sea Breeze Realty failed to maintain complete records of rental transactions and could not in every instance produce receipts or other documents to account for deductions made from tenant security deposits.

SEMBER L. SMATHERS (Charlotte) – The Commission accepted the permanent voluntary surrender of the broker license of Mr. Smathers effective March 8, 2012. The Commission dismissed without prejudice allegations that Mr. Smathers violated provisions of the Real Estate License Law and Commission rules. Mr. Smathers neither admitted nor denied misconduct.

ROBERT J. SMITH (Charlotte) – By Consent, the Commission suspended the broker license of Mr. Smith for a period of 18 months effective January 15, 2012. The Commission found that Mr. Smith, in September 2009, entered into a property management agreement with a landlord client using a standard North Carolina Association

(See Disciplinary, page 15)

Disciplinary Action

(Continued from page 14)

of REALTORS® form which included the name of the firm with which he was then associated at the top of the form, but terms of the agreement identified Mr. Smith and his unlicensed firm as property managers. The Commission also found that the unlicensed firm was not registered to do business with the North Carolina Secretary of State and that Mr. Smith never submitted a Broker-in-Charge Declaration for himself as sole proprietor. The Commission further found that, in March 2010, Mr. Smith and his unlicensed firm were again identified as property manager on a rental agreement with a tenant for the subject property and after Mr. Smith left the licensed firm with which he was associated, he continued to manage the property under the unlicensed firm and without an associated broker-in-charge. Finally, the Commission found that Mr. Smith provided incomplete escrow account records to a Commission investigator which showed unaccounted for funds in the account and deficit spending; Mr. Smith acknowledged that he cashed rental proceeds and then deposited the cash into the landlord's account instead of depositing the rent checks into his trust account.

SUZANNE SMITH (Asheville) – By Consent, the Commission reprimanded Ms. Smith effective March 1, 2012. The Commission found that Ms. Smith, acted as co-listing agent on an unimproved lot and represented in the MLS system that a manufactured home could be placed on the lot, but failed to change the representation when shortly after listing the lot, a county-wide zoning ordinance was adopted which prohibited manufactured housing on the lot. The Commission also found that Ms. Smith acted as dual agent for the sale of the property and again represented to the buyer that a mobile home could be put on the lot; the buyer learned of the restrictions on the lot after closing. The Commission noted that Ms. Smith refunded her commission to

the buyer and has agreed to list the subject lot for the buyer at no charge.

NATASHA A. STARGHILL (Colfax) – By Consent, the Commission suspended the broker license of Ms. Starghill for a period of two years effective December 1, 2011. The Commission found that Ms. Starghill, acting as broker-in-charge of a real estate brokerage firm, allowed her broker-in-charge eligibility to lapse in February, 2007, and arranged for another broker, not then associated with her firm, to act as the BIC. The Commission also found that Ms. Starghill failed to designate the new broker-in-charge with the Commission although she believed she had done so and, during this period, continued to act as BIC with the other broker having no involvement with the firm. The Commission further found that, in 2009, Ms. Starghill served as buyer's agent for a client and had a broker whose license was on inactive status step in to complete the transaction when Ms. Starghill became unavailable. The Commission finally found that Ms. Starghill did not attend the closing or review the settlement statement, thus failing to determine that a \$1,000 seller loan had not been disclosed to the lender and, while under investigation for alleged failure to repay a loan on a real estate investment deal, Ms. Starghill failed to timely respond to the Commission investigator's request for information.

TRI-CITY REALTY, LLC (Rockingham) – By Consent, the Commission suspended the firm license of Tri-City Realty for a period of one year effective March 15, 2012. The Commission then stayed the suspension on certain conditions. The Commission found that the broker-in-charge and other agents of the firm admitted in 2009 to accessing an email account from a computer in the firm's office and viewing private and personal emails of a former employee.

UNITED COUNTRY COASTAL HOMES, LLC (Shalotte) – By Consent, the Commission suspended the firm license of United Country Coastal

Homes for a period of 18 months effective March 1, 2012. The Commission then stayed the suspension. The Commission found that during 2008 United Country Coastal Homes listed a house and lot for \$39,900, submitted an offer to purchase for \$35,000 to its seller client on behalf of an entity it owned and controlled, but failed to submit an offer from a competing purchaser for \$44,000. The Commission also found that during 2009, United Country Coastal Homes listed a condominium and submitted an offer to purchase from a buyer client without informing its seller client of another firm's interest in making an offer and did not give the competing purchaser an opportunity to make an offer on the property as United Country Coastal Homes promised.

KIMBERLY B. WHITLEY (Rockingham) – By Consent, the Commission suspended the broker license of Ms. Whitley for a period of one year effective March 15, 2012. The Commission then stayed the suspension on certain conditions. The Commission found that Ms. Whitley, acting as a broker associated with a real estate brokerage firm, admitted in 2009 to accessing an email account from a computer in her office and viewing private and personal emails of a former employee.

LINDA C. WILLIAMSON (Leland) – By Consent, the Commission reprimanded Ms. Williamson effective November 1, 2011. The Commission found that Ms. Williamson prepared an Offer to Purchase and Contract and addendum documents in a lease-purchase transaction; the contract specified that the \$15,000 earnest money deposit would be held in escrow by the unlicensed seller and that Ms. Williamson had an ownership interest in the property; contrary to the contract terms, the earnest money deposit was written directly to Ms. Williamson and to the seller. The Commission also found that the buyer-tenant was eventually evicted for non-payment of rent and the seller and Ms. Williamson refused to refund
(See Disciplinary, page 16)

Disciplinary Action

(Continued from page 15)

the \$15,000 claiming that the buyer-tenants understood that the monies were non-refundable.

JAMES L. WILLS, IV (Durham) – The Commission accepted the permanent voluntary surrender of the broker license of Mr. Wills effective April 15, 2012. The Commission dismissed without prejudice allegations that Mr. Wills violated provisions of the Real Estate License Law and Commission rules. Mr. Wills neither admitted nor denied misconduct.

JEFFREY T. WILLIS (Holly Springs) – By Consent, the Commission suspended the broker license of Mr. Willis for a period of one year effective March 1, 2011. The Commission found that Mr. Willis, as broker-in-charge of a real estate brokerage and property management firm, charged unauthorized fees to home purchasers subject to the regimes of their association clients. The Commission also found that Mr. Willis failed to maintain homeowner association money in an exclusive trust account designated with the words “trust” or “escrow”, and failed to keep accurate and complete records of the monies they held for their landlord clients and their tenants. Finally, the Commission found that Mr. Willis, acting as a broker for homebuyers and sellers and as trustee for earnest money deposits failed to keep accurate and complete records of clients’ monies in his care and failed to accurately and promptly account for the funds of others in his custody.

WALTER L. WOODDELL (Goldsboro) – By Consent, the Commission suspended the broker license of Mr. Wooddell for a period of 36 months effective May 1, 2011. One month of the suspension was active with the remainder stayed for a probationary period of 35 months effective May 31, 2011. The Commission found that Mr. Wooddell, acting as broker and property manager for firms which disposed of foreclosed

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residential property, procured clean-out services based upon competitive bids from independent contractors and that, in certain instances, Mr. Wooddell obtained bids from persons related by marriage to Mr. Wooddell without first obtaining formal written consent from his client. The Commission also found that Mr. Wooddell, in other instances, created invoices which appeared to be prepared by the contractors when, in fact, the invoices were not prepared by the contractors. Mr. Wooddell neither admitted nor denied the facts or conclusions of the Commission set out in the Consent order, but nevertheless consented to the suspension of his broker license as provided in the order.

JAMES R. WOODS (Jonesboro, Tennessee) – By Consent, the Commission reprimanded Mr. Woods effective February 13, 2012. The Commission found that Mr. Woods, acting as an auctioneer and real estate broker, auctioned a residential home for a sales commission; Mr. Woods used a preprinted sales contract form which lacked many

required provisions and included provisions concerning the payment of a sales commission to Mr. Woods and a disclaimer of liability for false advertising. The Commission noted that the non-compliant sales contract did not cause any harm that a standard or lawful pre-printed contract would have prevented.

