

# 2019-2020 BICUP Course

## Section Seven BIC'S DUTY OF SUPERVISION re: WWREA BROCHURE



1. Sue is a broker with XYZ Realty and Bob is the BIC. Bob has reviewed Sue's transaction files and noticed that the acknowledgement panel from the WWREA brochure in each file was missing. Bob told Sue to add the WWREA acknowledgement panel to her transaction files. However, Sue stated she does not have any of the acknowledgement panels because she does not review the brochure with prospective clients.  
What should Bob do to ensure sue reviews the WWREA brochure with consumers? \_\_\_\_\_
2. Adam is the BIC of ABC Realty. He supervises a total of 50 brokers. Adam has an office meeting once a month with all of his affiliated brokers. This month, Adam conducted a role-playing exercise that showed the appropriate way to explain the WWREA brochure to prospective buyers and sellers. A broker interrupts the role-playing scenario and states that she does not explain the entire brochure to her clients, only the agency option she believes is applicable to their transaction.  
How should Adam respond to the broker?  
\_\_\_\_\_
3. Betty goes to an open house. Upon walking through the front door, a listing agent approaches her with a purple pamphlet. Betty looks confused, refuses to take the pamphlet, and informs the agent she just wants to view the house uninterrupted. The agent proceeds to explain the agency options available to Betty, specifically buyer's agency and dual agency.  
Has first substantial contact occurred? \_\_\_\_\_

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## LEARNING OBJECTIVES

This Section will review the BIC's duty to supervise the activities of brokers as it relates to the *WWREA* brochure.

After completing this section, you should be able to:

- describe the variations of first substantial contact; and
- describe the BIC's role in supervising a broker in regards to the *WWREA* brochure.

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## WORKING WITH REAL ESTATE AGENTS BROCHURE



### **What is the Working With Real Estate Agents Brochure?**

The Working With Real Estate Agents brochure is a Commission-mandated brochure that must be given to and reviewed with each prospective buyer or seller by the broker in all sales (commercial and residential) transactions at first substantial contact.

The brochure is designed to educate consumers about the various agency relationships, the duties arising out of each, and the options available to consumers in deciding how they wish to work with any given broker and/or firm.

The broker should inform consumers that the brochure is not a contract; it is a disclosure form. Once a consumer signs the form, it signifies that the broker has complied with the agency disclosure rule, and the buyer and/or seller is in receipt of the form. However, it does not indicate that the consumer works with the broker. It only signifies that the consumer is aware of the agency options available in the transaction and has the information to determine the best option for them.



### **When is the Working With Real Estate Agents Brochure required?**

The Working with Real Estate Agents brochure is required to be disclosed and reviewed in all sales transactions at first substantial contact.



## What is first substantial contact?

Some brokers confuse an “initial contact” with a “first substantial contact” when interacting with consumers. An initial contact often is informational and does not rise to the level of first substantial contact.

According to Rule 58A .0104(c), “first substantial contact” shall include contacts between a broker and consumer where the consumer or broker begins to act as though an agency relationship exists and the consumer begins to disclose to the broker personal or confidential information.

The disclosure of particular needs, desires, or wants about a property to be sold or purchased or any information about financial circumstances, family matters, or employment situations, *triggers* a first substantial contact with a consumer.

Once “first substantial contact” occurs, under Commission Rule 58A .0104(c), a broker shall provide and review the prospective buyer or seller with a copy of the publication, Working with Real Estate Agents brochure and review it with them. Under Rule 58A. 0104(c), if the first substantial contact with a prospective seller or buyer occurs by telephone or other electronic means, the broker is required “at the earliest opportunity thereafter, but in no event later than three days from the date of first substantial contact, mail or otherwise transmit a copy of the publication [brochure] to the prospective buyer or seller and review it with him or her at the earliest practicable opportunity thereafter.”

If the “first substantial contact” is by telephone, the broker should inform the consumer that a brochure explaining various agency relationships is available and will be sent to them. The broker must inform the consumer that the North Carolina Real Estate Commission requires the broker to review the publication with the consumer.

If the “first substantial contact” with the consumer is by email, fax, or other written communication, the broker should include the brochure in a written reply or indicate it will be sent soon.

Once the broker has sent the Working with Real Estate Agents brochure to the consumer, the broker should:

- include their name and license number,
- contact the consumer and review the brochure with him or her,
- determine whether they will act as an agent of the buyer or seller in the transaction, and
- enter into the appropriate agency agreement or give the required notice to the buyer that the agent will be a seller’s agent/subagent before the discussion begins regarding the consumer’s needs

**Note:** If the buyer wishes to be unrepresented, the broker should ensure the seller’s agent/subagent box is checked on the WWREA brochure and further document that they have explained they represent the interests of the seller.



## What must the broker retain?

The broker must retain the final page of the brochure known as the “acknowledgement panel” when a client enters into an agency agreement AND if they decide to remain a consumer without representation. This panel should include the consumer’s name, name of the brokerage firm, broker’s name, and the signature of the consumer acknowledging both receipt and review of the brochure by the broker, and the date. The consumer retains the brochure, and the broker retains the signature panel in the transaction file pursuant to Rule 58A .0104(c) and 58A .0108(a).

However, if a consumer refuses to sign the form acknowledging its receipt, then the broker should note the person’s refusal on the panel and retain the brochure in the transaction file.

The acknowledgement panel must be retained for three years after:

- all funds held by the brokers in connection with the transaction have been disbursed to the proper party or parties, or
- the conclusion of the transaction, whichever occurs later.

If, during the course of a transaction, a broker’s agency agreement is terminated, the broker shall retain the acknowledgement panel for three years after:

- the termination of the agency agreement, or
- the disbursement of all funds held by or paid to the broker in connection with the transaction, whichever occurs later.

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## What is the BIC'S duty regarding the WWREA brochure?

Rule 58A .0110(g)(7), specifies that a designated BIC shall supervise all brokers employed at the office with respect to adherence to agency agreement and disclosure requirements.

A BIC shall supervise brokers to reasonably assure the brokers perform all acts of brokerage in accordance with License Law and Commission Rules.



### What does the Commission suggest BICs do?

The Commission suggests the BIC create the following educational opportunities to assist the broker with implementing the WWREA agency disclosures in their presentation:

- provide training programs that explain agency options,
- provide sample WWREA agency disclosure statements,
- provide role-playing opportunities for the brokers to explain agency disclosure (WWREA),
- instruct brokers to create a script to assist them with explaining the brochure
- allow experienced brokers to mentor provisional brokers, and
- observe meetings with potential clients and attend initial listing presentation(s).



Bill is the BIC of 123 Realty. Sam, a broker, works in another county and misses a majority of the trainings at the firm. As a result, Sam's transaction files are often incomplete. Bill informs Sam that he must provide all of the agency agreements and disclosure forms for his files. However, Sam tells Bill that his clients refuse to sign the WWREA brochure when asked; therefore, he just submits a blank brochure with each file.

How should Bill correct this rule violation with Sam? \_\_\_\_\_

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## SMALL GROUP EXERCISE!

The following exercise is a required role playing exercise to be completed by all brokers in the course. In pairs or small groups, brokers should discuss the following:

1. What is the WWREA brochure?
2. Explain why the brochure is given to all consumers in a sales transaction?
3. Explain the agency options offered to consumers and how you would assist them in making a choice for the representation that would be best for their transaction.
4. Explain the WWREA brochure as if you were:
  - a. At a listing presentation
  - b. a buyer's agent
  - c. a seller's subagent, or
  - d. a dual agent.

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## WORKING WITH REAL ESTATE AGENTS BROCHURE

When buying or selling real estate, you may find it helpful to have a real estate agent assist you. Real estate agents can provide many useful services and work with you in different ways. In some real estate transactions, the agents work for the seller. In others, the seller and buyer may each have agents. And sometimes the same agents work for both the buyer and the seller. It is important for you to know whether an agent is representing you as your agent or simply assisting you while acting as an agent of the other party.

This brochure addresses the various types of agency relationships that may be available to you. It should help you decide which relationship you want to have with a real estate agent. It will also give you useful information about the various services real estate agents can provide buyers and sellers, and it will help explain how real estate agents are paid.

### SELLERS

#### *Seller's Agent*

If you are selling real estate, you may want to "list" your property for sale with a real estate firm. If so, you will sign a "listing agreement" authorizing the firm and its agents to represent you in your dealings with buyers as your seller's agent. You may also be asked to allow agents from other firms to help find a buyer for your property.

Be sure to read and understand the listing agreement before you sign it. Your agent must give you a copy of the listing agreement after you sign it.

Duties to Seller: The listing firm and its agents must • promote your best interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have signed the listing agreement, the firm and its agents may not give any confidential information about you to prospective buyers or their agents without your permission so long as they represent you. But until you sign the listing agreement, you should avoid telling the listing agent anything you would not want a buyer to know.

Services and Compensation: To help you sell your property, the listing firm and its agents will offer to perform a number of services for you. These may include • helping you price your property • advertising and marketing your property • giving you all required property disclosure forms for you to complete • negotiating for you the best possible price and terms • reviewing all written offers with you and • otherwise promoting your interests.

For representing you and helping you sell your property, you will pay the listing firm a sales commission or fee. The listing agreement must state the amount or method for determining the sales commission or fee and whether you will allow the firm to share its commission with agents representing the buyer.

### ***Dual Agent***

You may even permit the listing firm and its agents to represent you and a buyer at the same time. This “dual agency relationship” is most likely to happen if an agent with your listing firm is working as a buyer’s agent with someone who wants to purchase your property. If this occurs and you have not already agreed to a dual agency relationship in your listing agreement, your listing agent will ask you to amend your listing agreement to permit the agent to act as agent for both you and the buyer.

It may be difficult for a dual agent to advance the interests of both the buyer and seller. Nevertheless, a dual agent must treat buyers and sellers fairly and equally. Although the dual agent owes them the same duties, buyers and sellers can prohibit dual agents from divulging certain confidential information about them to the other party.

Some firms also offer a form of dual agency called “designated dual agency” where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each “designated agent” to more fully represent each party.

If you choose the “dual agency” option, remember that since a dual agent’s loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of • what your relationship is with the dual agent and • what the agent will be doing for you in the transaction

## **BUYERS**

When buying real estate, you may have several choices as to how you want a real estate firm and its agents to work with you. For example, you may want them to represent only you (as a buyer's agent). You may be willing for them to represent both you and the seller at the same time (as a dual agent). Or you may agree to let them represent only the seller (seller's agent or subagent). Some agents will offer you a choice of these services. Others may not.

### ***Buyer's Agent***

Duties to Buyer: If the real estate firm and its agents represent you, they must • promote your best interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have agreed (either orally or in writing) for the firm and its agents to be your buyer's agent, they may not give any confidential information about you to sellers or their agents without your permission so long as they represent you. But until you make this agreement with your buyer's agent, you should avoid telling the agent anything you would not want a seller to know.

Unwritten Agreements: To make sure that you and the real estate firm have a clear understanding of what your relationship will be and what the firm will do for you, you may want to have a written agreement. However, some firms may be willing to represent and assist you for a time as a buyer's agent without a written agreement. But if you decide to make an offer to purchase a particular property, the agent must obtain a written agency agreement before writing the offer. If you do not sign it, the agent can no longer represent and assist you and is no longer required to keep information about you confidential.

Be sure to read and understand any agency agreement before you sign it. Once you sign it, the agent must give you a copy of it.

Services and Compensation: Whether you have a written or unwritten agreement, a buyer's agent will perform a number of services for you. These may include helping you • find a suitable property • arrange financing • learn more about the property and • otherwise promote your best interests. If you have a written agency agreement, the agent can also help you prepare and submit a written offer to the seller.

A buyer's agent can be compensated in different ways. For example, you can pay the agent out of your own pocket. Or the agent may seek compensation from the seller or listing agent first, but require you to pay if the listing agent refuses. Whatever the case, be sure your compensation arrangement with your buyer's agent is spelled out in a buyer agency agreement before you make an offer to purchase property and that you carefully read and understand the compensation provision.

### ***Dual Agent***

You may permit an agent or firm to represent you and the seller at the same time. This "dual agency relationship" is most likely to happen if you become interested in a property listed with your buyer's agent or the agent's firm. If this occurs and you have not already agreed to a dual agency relationship

in your (written or oral) buyer agency agreement, your buyer's agent will ask you to amend the buyer agency agreement or sign a separate agreement or document permitting him or her to act as agent for both you and the seller. It may be difficult for a dual agent to advance the interests of both the buyer and seller. Nevertheless, a dual agent must treat buyers and sellers fairly and equally. Although the dual agent owes them the same duties, buyers and sellers can prohibit dual agents from divulging certain confidential information about them to the other party.

Some firms also offer a form of dual agency called "designated dual agency" where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each "designated agent" to more fully represent each party.

If you choose the "dual agency" option, remember that since a dual agent's loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of • what your relationship is with the dual agent and • what the agent will be doing for you in the transaction. This can best be accomplished by putting the agreement in writing at the earliest possible time.

### ***Seller's Agent Working With a Buyer***

If the real estate agent or firm that you contact does not offer buyer agency or you do not want them to act as your buyer agent, you can still work with the firm and its agents. However, they will be acting as the seller's agent (or "subagent"). The agent can still help you find and purchase property and provide many of the same services as a buyer's agent. The agent must be fair with you and provide you with any "material facts" (such as a leaky roof) about properties.

But remember, the agent represents the seller—not you—and therefore must try to obtain for the seller the best possible price and terms for the seller's property. Furthermore, a seller's agent is required to give the seller any information about you (even personal, financial or confidential information) that would help the seller in the sale of his or her property. Agents must tell you in writing if they are sellers' agents before you say anything that can help the seller. But until you are sure that an agent is not a seller's agent, you should avoid saying anything you do not want a seller to know.

Sellers' agents are compensated by the sellers.

### ***Disclosure of Seller Subagency***

(Complete, if applicable)

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

Agent's Initials Acknowledging Disclosure:

(Note: This brochure is for informational purposes only and does not constitute a contract for service.)

The North Carolina Real Estate Commission  
P.O. Box 17100 • Raleigh, North Carolina 27619-7100  
919/875-3700 • Web Site: [www.ncrec.gov](http://www.ncrec.gov)

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## CASE: Where is the BIC?



Read the following case summary.

Determine what, if any, errors were made by the broker(s) and which License Laws or Commission rules were violated.

### **PARTIES:**

The complaining witness was a disgruntled former employee of a real estate firm. The Respondents included a licensed real estate firm, the Qualifying Broker/BIC, an unlicensed property management firm, and a provisional broker.

### **COMPLAINT:**

The complaining witness alleged that the Respondent failed to: (1) handle earnest money in compliance with License Law and Commission Rules and (2) the BIC served as BIC of two separate office locations.

### **FACTS:**

During the course of the investigation, it was observed that Respondent BIC lived approximately 400 miles away from the real estate firm.

The BIC employed a provisional broker who managed the sales office without any supervision. The provisional broker also received direct commission from other parties and not his BIC. The BIC informed the Commission's investigator that he stayed in constant contact with the firm via phone, text, email, and video conferences, however the BIC rarely spent time in the office.

An unlicensed vacation rental management firm was across the street from the licensed real estate entity, and operated under a name similar to the licensed firm and managed properties owned by others. The licensed and unlicensed firms were owned by the same group of individuals.

The unlicensed vacation rental management firm's rental agreements lacked pertinent information such as rental amounts, advance rent payments, security deposits, taxes charged, and agency signatures.

The licensed real estate firm agency agreements lacked required provisions and failed to create listing agreements when listing homes. The BIC stated that the real estate firm did not have a trust account; therefore, a local law firm held all of the trust money. However, the unlicensed vacation rental firm held a trust account. The account and records were kept in another state with the parent company. After reviewing the records, the purpose of the funds was not identified, ledgers were not maintained, and a large amount of personal funds were kept in the trust account.

## Main Points - Where is the BIC?

- A complaint was filed by a disgruntled employee regarding improper handling of earnest money deposits and the BIC served as BIC of two separate office locations.
- The BIC lived approximately 400 miles from the real estate firm.
- The provisional broker managed daily activities of the real estate firm and was unsupervised.
- The licensed real estate firm failed to complete listing agreements and deliver earnest money to the attorney within three days.
- The provisional broker was paid direct commission from other individuals and not by the BIC.
- An unlicensed vacation rental firm operating under a similar name across the street from the real estate firm.
- An unlicensed vacation rental firm did not have vacation rental agreements that complied with rules and they lacked agency signatures.
- The unlicensed vacation rental held a trust account that failed to identify the purpose of funds, maintain ledgers, and personal funds were included in the trust account.
- The property management fees from the unlicensed vacation rental firm were sent to another state to another unlicensed entity that was owned by the same group of individuals.

## Evaluation and Discussion - Where is the BIC?

Errors made by the Respondents:

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## Related Law and Rule Considerations - Where is the BIC?

### License Required of Real Estate Brokers

N.C.G.S. § 93A-1 states:

- The Commission has the power to suspend, revoke, reprimand, or censure any person, partnership, corporation, limited liability company, association, or other business entity in this State that holds themselves out as engaging in or conducting business without first obtaining a license issued by the North Carolina Real Estate Commission.

## **Dishonest Dealing and Accounting**

N.C.G.S. § 93A-6(a)(8) states:

- The Commission has the power to suspend, revoke, reprimand, or censure any licensee if they are unworthy or incompetent to act as a real estate broker in a manner as to endanger the interest of the public.

N.C.G.S. § 93A-6(a)(9) states:

- The Commission has the power to suspend, revoke, reprimand, or censure any licensee if they pay a commission or valuable consideration to any person for acts or services performed.

N.C.G.S. § 93A-6(a)(10) states:

- The Commission has the power to suspend, revoke, reprimand, or censure any licensee if they engage in conduct which constitutes improper, fraudulent, or dishonest dealing.

N.C.G.S. § 93A-6(a)(15) states:

- The Commission has the power to suspend, revoke, reprimand, or censure any licensee if they violate any rule adopted by the Commission.

## **Agency Agreements and Disclosure**

Commission Rule 58A .0104 requires:

1. Every agreement for brokerage services in a real estate transaction and every agreement for services connected with the management of a property owners association shall be in writing and signed by the parties thereto.
2. Every agreement for brokerage services between a broker and an owner of the property to be the subject of a transaction shall be in writing and signed by the parties at the time of the formation.

## **Brokerage Fees and Compensation**

Commission Rule 58A .0109 requires:

- A broker shall not undertake in any manner, any arrangement, contract, plan, or other course of conduct, to compensate or share compensation with unlicensed persons or entities for any acts performed in North Carolina for which licensure by the Commission is required.

## **Broker-in-Charge**

Commission Rule 58A .0110 requires:

1. A designated BIC shall maintain the trust or escrow account of the firm and the records pertaining thereto.
2. A designated BIC shall retain and maintain records relating to transactions conducted by or on behalf of the firm.
3. A designated BIC shall supervise provisional brokers associated with or engaged on behalf of the firm at such office.
4. A designated BIC shall supervise all brokers employed at the office with respect to adherence to agency agreement and disclosure requirements.

## **Handling of Trust Money**

Commission Rule 58A .0116 requires:

1. Earnest money or tenant security deposits paid by means other than currency and received by a broker in connection with a pending offer to purchase or lease shall be deposited in a trust or escrow account no later than three days following acceptance of the offer or lease; the date of acceptance of the offer to purchase or lease shall be set forth in the purchase or lease agreement.
2. Prior to depositing trust money into a trust or escrow account that bears interest, the broker having custody over the money shall first secure written authorization from all parties having an interest in the money. Such authorization shall specify and set forth in a conspicuous manner how and to whom the interest shall be disbursed.
3. Every broker shall safeguard any money or property of others that comes into the broker's possession in a manner consistent with the Real Estate License Law and Commission Rules.

## **Accounting for Trust Money**

Commission Rule 58A .0117 requires:

1. A broker shall create, maintain and retain records sufficient to identify the ownership of all funds belonging to others. Such records shall be sufficient to show proper deposit and disbursement of such funds into and from a trust or escrow account and to verify the accuracy and proper use of the trust or escrow account.
2. Records of all receipts and disbursements of trust or escrow monies shall be maintained in such a manner as to create an audit trail from deposit tickets and canceled checks to check stubs or journals and ledger sheets.

## Firm Licensing

Commission Rule 58A .0502 requires:

1. Every business entity other than a sole proprietorship shall apply for and obtain from the Commission a firm license prior to engaging in business as a real estate broker.
2. The qualifying broker of a business entity shall assume responsibility for designating and assuring that there is at all times a broker-in-charge for each office and branch office of the entity as “office” and “branch office.”
3. The qualifying broker of a business entity shall notify the Commission of any change of business address or legal or trade name of the entity and the registration of any assumed business name adopted by the entity for its use.
4. Every licensed business entity and every entity applying for licensure shall conform to all the requirements imposed upon it by the North Carolina General Statutes for its continued existence and authority to do business in North Carolina.

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## ANSWERS TO DISCUSSION QUESTIONS

### For Discussion on page 95

1. Sue is a broker with XYZ Realty and Bob is the BIC. Bob has reviewed Sue’s transaction files and noticed that the acknowledgement panel from the WWREA brochure in each file was missing. Bob told Sue to add the WWREA acknowledgement panel to her transaction files. However, Sue stated that she does not have any of the acknowledgement panels because she does not review the brochure with prospective clients.

What should Bob do to ensure adequate supervision of Sue?

**Answer:** *Bob should accompany Sue back to the clients that she currently serves and assist her with reviewing agency disclosures with them so that she can comply with License Law and Rules. Also, Sue needs to retain the acknowledgement panel. In addition, he should provide training programs and a mentor to assist her with understanding agency disclosures so that she can inform consumers in the future of their agency options.*

2. Adam is the BIC of ABC Realty. He supervises a total of 50 brokers. Adam has an office meeting once a month with all of his affiliated brokers. This month, Adam conducted a role-playing exercise that showed the appropriate way to explain the WWREA brochure to prospective buyers and sellers. A broker, Pat, interrupts the role-playing scenario and states that she does not explain the entire brochure to her clients, only the agency option she believes is applicable to their transaction.

How should Adam respond to Pat?

**Answer:** *Adam should inform Pat that she must review the entire WREA brochure with all of her clients pursuant to Rule 58A .0104(c). The rule specifically states to review the publication, not only sections of the brochure.*

3. Betty goes to an open house. Upon walking through the front door, a listing agent approaches her with a purple pamphlet. Betty looks confused, refuses to take the pamphlet, and informs the agent she just wants to view the house uninterrupted. The agent proceeds to explain the agency options available to Betty, specifically buyer's agency and dual agency.

Has first substantial contact occurred?

**Answer:** *No. First substantial contact has not occurred because confidential information (i.e. motivation, price, and/or terms) was not discussed.*

### **For Discussion on page 99**

Bill is the BIC of 123 Realty. Sam a broker works in another county and misses a majority of the trainings at the firm. As a result, Sam's' transaction files are often incomplete. Bill informs Sam that he must provide all of the agency agreements and disclosure forms for the file. However, Sam tells Bill that his clients refuse to sign the WWREA brochure when asked; therefore, he just submits a blank brochure with the file.

How should Bill correct this rule violation with Sam?

**Answer:** *Bill should inform Sam of the requirement to review the brochure with every consumer pursuant to Rule 58A .0104(c). Further, Bill should assist Sam with developing a procedure for documenting a consumer's refusal to sign a brochure and retaining the acknowledgment panel without the signature as required by rule.*

## Case Outcome - Where is the BIC? on pages 104-108

### Errors identified during the Commission's Investigation

- Respondent QB/BIC resided approximately 400-miles away from the firm's office.
- Respondent QB/BIC failed to actively supervise a provisional broker of Respondents' firm.
- Respondent QB/BIC did not designate a separate BIC for the property management business across the street.
- Respondent firm failed to adequately review trust account records.
- Respondent QB/BIC failed to ensure all agency agreements complied with Commission rules.
- Respondent QB/BIC failed to ensure entrusted money, including earnest money deposits were deposited in a reasonable amount of time.

### Law & Rule Violations identified during the Commission's Investigation

- N.C.G.S. § 93A-1 - Practicing real estate without a brokerage license
- N.C.G.S. § 93A-6(a)(8) - Being unworthy or incompetent to act as a real estate broker in a manner as to endanger the interest of the public
- N.C.G.S. § 93A-6(a)(9) - Paying a commission or valuable consideration to any person for acts or services performed
- N.C.G.S. § 93A-6(a)(10) - Conduct which constitutes improper, fraudulent or dishonest dealing
- Commission Rule 21 NCAC 58A .0104-Agency Agreements and Disclosures
- Commission Rule 21 NCAC 58A .0109- Brokerage Fees and Compensation
- Commission Rule 21 NCAC 58A .0110-Broker-in-Charge
- Commission Rule 21 NCAC 58A .0116-Handling of Trust Money
- Commission Rule 21 NCAC 58A .0117-Accounting for Trust Money
- Commission Rule 21 NCAC 58A .0502-Firm Licensing

### Sanctions Imposed by the Commission

- Respondent QB/BIC- Suspension for a period of 2 years; Stayed if the broker submitted a course completion certificate evidencing satisfactory completion of the *Issues in Answers in NC Real Estate Practice Course, Ethics Course, and a Continuing Education Course in residential real estate* within 3 months.
- Respondent PB - Reprimanded; Dismissed if the broker submitted a course completion certificate evidencing satisfactory completion of the *Issues in Answers in NC Real Estate Practice Course and Continuing Education Course in Residential Real Estate* within 2 months.
- Firm- Voluntarily Surrender of Real Estate License