



Judy Lowe
Commissioner

**COMMISSIONER'S
CORNER**

T E A M

Is Fiduciary a Real Estate Licensee's Duty to the Client?

I'm sure we have all heard the term "Fiduciary" as it relates to the real estate professional's duty to a client. Some would say that holding a fiduciary duty to a client is the highest responsibility a professional offers to a client. The Duties to the Client specified in the Arizona Real Estate Rules (A.A.C. R4-28-1101) state that "a real estate licensee owes a fiduciary duty to the client and shall protect and promote the client's interests". A real estate licensee shall also deal fairly with all other parties to a transaction. Fiduciary and Duties to the Client can be summarized into responsibilities that must be met by an Arizona real estate licensee. To review the entire "Duties to the Client", [click here](#), or visit the ADRE website at www.azre.gov. Let's address a few duties that a real estate licensee owes to the client.

Disclosure - A real estate licensee participating in a real estate transaction **shall disclose in writing** to all other parties any information the licensee possesses that materially or adversely affects the consideration to be paid by **any** party to the transaction. Also included, but not limited to, disclosures made in writing relating to conflict of interest, present or prospective interest, representation of parties in the transaction, and disclosure if a salesperson or broker has a license and is acting as a principal in the transaction, or has immediate family with a financial interest in the transaction.

Performance - A real estate licensee shall expeditiously perform **all acts required** by the holding of a license. A licensee shall not delay performance, either intentionally or through neglect. A licensee shall not allow a controversy with another licensee to jeopardize, delay, or interfere with the initiation, processing, or finalizing of a transaction on behalf of a client.

Agency / Compensation - A real estate salesperson or broker shall not accept compensation from or represent more than one party to a transaction without the prior written consent of all parties. A salesperson or broker shall not accept any compensation, including rebate or other consideration; directly or indirectly for any goods or services provided to a person if the goods or services are related to or result from a real estate transaction, without that person's prior written acknowledgement of the compensation (does not apply to referral compensations paid to a broker by a broker who represents a party in the transaction).

Standards of Practice - The services that a real estate licensee provides to a client or a customer shall conform to the standards of practice and competence recognized in the professional community for the specific real estate discipline in which the licensee engages. A licensee shall not undertake to provide professional services concerning a type of property or service that is outside the salesperson's or broker's field of competence without engaging the assistance of a person who is competent to provide those services, unless the licensee's lack of expertise is first disclosed to the client in writing and the client subsequently employs the licensee. A licensee shall exercise reasonable care in ensuring the licensee obtains information material to a client's interests, and relevant to the contemplated transaction and accurately communicates the information to the client.

Appropriate Counsel - A salesperson or broker shall recommend to a client that the client seek appropriate counsel from insurance, legal, tax and accounting professionals regarding the risks of prepossession or post-possession of a property.

Arizona real estate licensees bring value to the consumer through their real estate knowledge, and by upholding their fiduciary responsibilities.

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Did you know?

- Licensees are eligible to renew their license 90 days before the expiration date?
- Continuing education (CE) courses can be submitted anytime during the two-year allowable renewal date range?
- Once courses are entered, the renewal is not complete and will not be satisfied until a questionnaire and payment are received (this is only available 90 before the license expiration date)?

Here are some simple steps to follow when renewing a license:

- Go to the Arizona Department of Real Estate website at www.azre.gov.
- Select the link, "Online License System"
- Login to your account, or login for the first time/password reset by using your license number, last 4 digits of your Social Security Number, and date of birth.
- Once, logged in, click on "Manage My Continuing Education" under Quick Links.
- Enter all required CE courses
- Once 90 days prior to the expiration date has approached, follow the prompts under your alerts section to successfully complete the entire renewal process.
- For more information and renewal fees, visit www.azre.gov.

Q: Where does Arizona rank with other states in square miles?

**Answer:
See page 5**



COMMISSIONER'S CORNER



60th Anniversary Arizona Mexico Commission (AMC)
Real Estate Committee



Arizona Real Estate Educators attending the ADRE
Instructor Development Workshop (IDW)



Scottsdale Area Association of Realtors Broker Master Minds



Commissioner Connection
at the Tucson Association of Realtors®



Santa Cruz County Association of Realtors® in Nogales, AZ



Phoenix Growth Trends Panel

IN CASE YOU MISSED IT



ADRE @AZDeptRE · Jun 13

Thanks to the many real estate education professionals that attended the broker education curriculum stakeholder meeting!



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Follow ADRE on Twitter to receive updates, notices, and other relevant information! click here



PLANNING A COMPANY EVENT?

To stay up-to-date with what is happening in real estate, and to hear “What’s Making the Phone Ring at ADRE?”, invite Commissioner Lowe or Deputy Commissioner Dettorre to speak to your group. For scheduling, contact: Abby Hansen at ahansen@azre.gov



ADRE @AZDeptRE · Jun 14

Take a look at ADRE's Subdivision Public Report Brochure to find out when a Public Disclosure Report is required bit.ly/2WlxKDs



Subdivision Public
Disclosure Report
“Public Report”



Arizona-Mexico Commission @AzMxCom · Jun 26

The #AMCRealEstateCommittee is discussing the positive impact that infrastructure, investment and land development have in Sonora and Arizona at the 60th Anniversary Summit! #AMCCELEBRATES60



ADRE, Juan Ciscomani and Natalia Rivera

🗨️ ↻️ 5 ❤️ 18



ADRE @AZDeptRE · Jun 21

Thank you National Association of Hispanic Real Estate Professionals Greater Phoenix for inviting ADRE to attend yesterday's Women in Power event!

🗨️ ↻️ ❤️ 3

Escrow/Closing Wire Fraud Update: CFPB Tips and FBI Resources

Excerpted from the *ARELLO Boundaries Magazine*

Amid reports of escalating escrow/closing wire fraud scams, residential real estate industry stakeholders have, for several years, been issuing periodic warnings and advice about the scheme and how to avoid it. The latest comes from the federal Consumer Financial Protection Bureau (CFPB), which says that scammers are increasingly compromising the email accounts of real estate professionals in order to identify upcoming real estate transactions and divert escrow/closing funds. The scam has been experienced in a broad range of business environments and has many variations. In residential real estate transactions, it generally involves a hacker who gains access to the email account of a transaction participant such as a real estate licensee, attorney, mortgage broker/lender, title company or closing agent. In one version of the scheme, the hacker uses publicly accessible websites to identify a property listed as “under contract” and then obtains access to a transaction participant’s email account. The hacker monitors the email account, hoping to capture the contact information of other participants and transaction closing/wiring instruction information that identifies when, from and to whom, and in what amount, fund transfers are expected. The hacker then sends a last-minute, authentic-looking email to the buyer or other fund holder, with instructions to wire funds to a disguised and sometimes overseas account. These emails are often personalized by including references to previous legitimate email conversations that have been captured by the hacker. Also, perpetrators appear to have at least some knowledge of how real estate transactions work, since fake wiring instructions usually surface very near the closing date; a critical juncture at which a sense of urgency can sometimes attend the transaction process.

The CFPB’s recent blog post recites often-quoted FBI statistics tracking the escrow/closing wire fraud scam, which indicate that “reports of these attempts rose 1,100 percent between 2015 and 2017, and in 2017 alone there was an estimated loss of nearly \$1 billion in real estate transaction costs.” The CFPB warns consumers that, “While it’s easy to think you may not fall for this kind of scam, these schemes are complex and often appear as legitimate conversations with your real estate or settlement agent.” To protect themselves, the CFPB suggests that consumers should:

- Prior to closing, identify and have a telephone or in-person conversation with two trusted representatives involved in the transaction, such as a real estate or settlement agent, to confirm the closing process, payment instructions and money transfer protocols. These conversations also can be used to create a code phrase to confirm identities in later communications. And, of course, “Be cautious about exchanging any details about your closing over email.”

- Never follow instructions contained in an email and, before wiring money, always “[v]erify the closing instructions, including the account name and number, with your trusted representatives either in person or by using the phone number you previously agreed to.
- Avoid using phone numbers or links in an email. Again, scammers can closely replicate the email address, phone number and format of an exchange from your agents. Avoid clicking on any links or downloading attachments without first confirming with your trusted representatives.
- Do NOT email financial information. Email is never a secure way to send financial information.
- Be mindful of phone conversations. It may be difficult to identify whether a phone call is fraudulent or legitimate. Scammers may call and ask you to verify your personal or financial information. When in doubt, always refer back to your trusted professionals to confirm whether it’s legitimate.”

For victims, recovery of stolen funds may be unlikely but is at least possible. The CFPB says that victims must immediately contact the wiring financial institution to report the matter and request a “recall” of the funds. The victim should also immediately contact the local office of the FBI. The FBI operates the Internet Crime Complaint Center (IC3) which, among other things, provides a reporting mechanism for suspected Internet-facilitated criminal activity. In a 2018 public service announcement the IC3 also says that “time is of the essence” and provides links for filing email compromise fraud complaints. IC3 also has established a Recovery Asset Team (RAT) which streamlines communication with the financial institutions involved and assists FBI field offices with the potential recovery of diverted funds.

Do you have a Bulletin Article Idea?

If you would like to submit an article to be considered for inclusion in a future Bulletin, you can send your submission via email to ldetorre@azre.gov. Guest articles may not necessarily reflect the views of the Department, but may be included for information.

Trivia Answer:

Arizona is the 6th largest state in the U.S. with 113,998 square miles. In 1975 Arizona had a population of 19.5 per square mile compared with California's 133.5. Arizona population is estimated to be 7.23 million with 63 people per square mile today.

Arizona First to Enact “Universal” License Recognition Excerpted from the ARELLO Boundaries Magazine

According to a press release issued by the office of Governor Doug Ducey, Arizona recently became the first U.S. jurisdiction to enact “universal” recognition of virtually all out-of-state occupational licenses. The new recognition provisions are not automatic, however, and impose several conditions that are designed to provide public health and safety protections.

The Arizona Revised Statutes dealing with occupational regulation already provide for the recognition of out-of-state licenses held by spouses of active duty U.S. Armed Forces members stationed at a military installation in Arizona. Arizona licenses must be issued to such applicants “in the discipline applied for and at the same practice level as determined by the regulating entity,” and without examination, under certain conditions [A.R.S. §324302].

Arizona House Bill 2569, which was signed into law on April 10th, amends § 32-4302 to extend that “universal” license recognition to any person who establishes residence in the state and holds an out-of-state license to practice any of the professions and occupations that Arizona regulates.

In order to qualify, both military spouses and other out-of-state licensees will be required to meet a set of conditions which, as more fully explained in the statutes, include:

- The person is currently licensed or certified in good standing in at least one other state, and has been for at least one year. (A previous provision calling for the “direct supervision” of military spouses holding an out-of-state license for fewer than five years was eliminated by House Bill 2569);
- When the person was licensed or certified by another state there were minimum education and, if applicable, work experience and clinical supervision requirements in effect and the other state verifies that the person met those requirements;
- The person previously passed an examination required for licensure or certification, if required by the other state;
- The person has not had a license or certificate revoked and has not voluntarily surrendered a license or certificate in any other state or country while under investigation for unprofessional conduct;
- The person has not been disciplined by another regulating entity, unless the cause for the action was corrected and the matter was resolved;
- The person does not have a pending complaint, allegation or investigation in another state or country that relates to unprofessional conduct;
- The person pays all applicable fees; and
- The person does not have a disqualifying criminal

history as determined by the regulating entity pursuant to § 41-1093.04, A.R.S., which identifies disqualifying convictions and the process under which such determinations may be made.

House Bill 2569 also provides that, except with regard to license recognition for military spouses, regulatory entities may require an applicant to take and pass an examination that is specific to Arizona laws. In addition, the bill clarifies that licenses and certifications issued under § 32-4302 are valid only in Arizona and do not establish the holder’s eligibility under an interstate compact, although such eligibility may be determined by a regulating entity.



Upon signing House Bill 2569, Governor Ducey commented, “There’s dignity in all work. And we know that whether you make your living as a plumber, a barber, a nurse or anything else, you don’t lose your skills simply because you moved here. The bill we signed today protects public health and safety while eliminating unnecessary and costly red tape. It’s an Arizona original and should be a model for other states for how to work together and do the things that matter.” [Click here](#) for more information.

ADRE Implementation of HB 2569

Since the passage of HB 2569 “Universal Licensing” the Arizona Department of Real Estate has been working to complete a review of the legislation to finalize the process for out-of-state license applicants who wish to apply under the new law. HB 2569 is effective on August 27, 2019. ADRE will publish information on its website, www.azre.gov including the application process and any documents needed to submit at the time of application.

2019 Legislative Update

The 54th Legislature, 1st Regular Session adjourned sine die (Latin meaning “without assigning a day for a further meeting or hearing”) at 12:58 AM on Friday May 28th. Over 1,300 new pieces of legislation were introduced during the course of the session that began on January 7, 2019. Governor Douglas A. Ducey signed 320 pieces of legislation that passed the House and Senate. The State’s FY 2020 budget was signed which included an appropriation to the ADRE of approximately \$2.9 million for the coming fiscal year, beginning July 1, 2019.

Continued on page 7...

What is Required of a Business Broker?

QUESTION:

Is an Arizona real estate license required for a Business Broker?

ANSWER:

Yes, an Arizona real estate license is required.

The statutory definition of a real estate broker was previously updated to include the sale, exchange, purchase, rental or leasing, etc., of businesses and business opportunities. (A.R.S. § 32-2101.48)

Under the Arizona statutes, a Business Broker is defined as a real estate broker who acts as an intermediary or agent between sellers or buyers, or both, in the sale or purchase, or both, of businesses or business opportunities where a lease or sale of real property is either a direct or incidental part of the transaction. (A.R.S. § 32-2101.9)

The definition of a Business Broker has caused some confusion in the community in that some assume that if the transaction does not involve the lease or sale of real property, real estate activity is not being conducted. This assumption is incorrect due to the inclusion of businesses and business opportunities within the statutory definition of a real estate broker. Any licensee involved in a transaction in which a business or business opportunity is sold, purchased, leased, exchanged, rented, etc., and the licensee is compensated or anticipates receipt of compensation for the activities performed, is conducting real estate activity.

QUESTION:

May a licensee engaged in business brokerage services conduct activities outside of his license with an Arizona Employing Real Estate Broker?

ANSWER:

No, Business Brokerage activities may only be conducted on behalf of a licensee's Arizona Employing Broker.

Under the current Arizona statutes, a licensee involved in business brokerage activities may conduct those activities only on behalf of his/her Arizona employing broker. The licensee may not conduct business brokerage activities through his/her own separate business.

Conducting real estate activities on behalf of other than a licensee's employing broker constitutes the performance of unlicensed real estate activity.

Who Conducts the Final Tenant Walkthrough?

QUESTION:

Who may conduct a Final Walkthrough when a Tenant vacates a property?

ANSWER:

Is an active Arizona real estate license required to conduct a final walkthrough of a property when tenant vacates the premises?

A Final Walkthrough, with or without the tenant present, must be conducted by an Arizona licensed real estate agent. The return of tenant deposits is determined by the licensee during the tenant vacate inspection. A licensee may utilize the services of a licensed home inspector or contractor, (with the licensee in attendance) to provide an additional assessment of the home and/or the cost of necessary repairs. A third-party assessment; however, may not be used to determine the return of tenant deposits.

2019 Legislative Update

Continued from page 6



ADRE will continue moving forward streamlining and improving processes and procedures through the Arizona Management System to achieve even greater efficiencies. An ADRE Legislative Overview for 2019 will be available shortly on the ADRE website at www.azre.gov. Please also visit the State Legislature's website at www.azleg.gov to search all bills that went through the legislative process. The general effective date for legislation enacted during the 2019 Legislative Session is August 27, 2019 unless otherwise stated. Thank you for your support of ADRE, and for all that you do to contribute to the economy of the state of Arizona. Please reach out to the Department through the Message Center should you have any questions.



Education Advisory Committee (EAC)

The ADRE's Education Advisory Committee's task is to offer support to the Education Division of the ADRE to fulfill its mission of: "Protecting the public interest by raising the level of professionalism in the real estate sector without increasing barriers to entry into the sector." Membership of the EAC is composed of 14 members that participate in public meetings at the ADRE on a quarterly basis. The EAC members are valued volunteers and are not compensated for their time, nor reimbursed for expenses. Over the past several years, the EAC has worked diligently to provide ADRE with recommendations on an array of education issues pertaining to real estate licensees and the real estate industry. Visit the ADRE website www.azre.gov to view the EAC Calendar of meeting dates, past and current minutes and meeting agendas. **ADRE thanks members Marc Blonstein, Sherry Olsen, and Evan Fuchs for their service to the EAC!** The current EAC members and terms are:

2-year term (July 2019 to July 2021)

Marti Barnewolt Debbie Shields
 Barbara Freestone *Cheryl Terpening
 *Kimberley Horn *Betty Winn
 Mary Sand

New appointment!

2-year term (July 2018 to July 2020)

Holly Eslinger Debra Prevost
 Jim Hogan Patrick Sheahan
 Jon Kichen Kelly Zitlow
 Laura Kovacs

HOA Petition Process Update

	April	May	June	4th Quarter Totals	FY 2019 Totals
# of Cases Filed	6	7	8	21	74
# of Cases Closed	7	6	4	17	69
# of Decisions Issued	6	5	3	14	61
Petitioner Prevailed	1	1	1	3	11
Respondent Prevailed	5	4	1	10	42
# Settled After Hearing Scheduled	0	0	1	1	10
# Withdrawn Prior to Referral	0	0	0	0	14
Denied	0	0	0	0	2

In 2016, the Arizona Legislature passed legislation moving the Homeowners Association (HOA) Dispute Process to the Arizona Department of Real Estate (ADRE). [Link to legislation](#) The Arizona Office of Administrative Hearings (OAH) will accept all cases as referred by the ADRE, and schedule a Hearing date before an Administrative Law Judge (ALJ).

The chart to the left provides information relating to the HOA Dispute Process for Fiscal Year 2019 which closed June 30, 2019.

Further information on the HOA Dispute Process can be reviewed on the ADRE website, www.azre.gov.

Top 5 Petition Issues

- #1 Common Property Maintenance
- #2 Records Request
- #3 Architectural Design
- #4 Open Meeting
- #5 Not Enforcing CCR's

ADRE CALENDAR OF EVENTS

The ADRE office will be closed on the following holidays:

Labor Day - Monday, September 2, 2019

Columbus Day - October 14, 2019

ADVISORY BOARD MEETING

The next Real Estate Advisory Board Meeting will be held on October 23, 2019 in the Commissioner's Conference Room or Training Room from 10 a.m. - 12 noon

Arizona Department of Real Estate
100 N. 15th Ave., Suite 201
Phoenix, AZ 85007

All members of the public are welcome to attend

EDUCATION ADVISORY COMMITTEE

The next Education Advisory Committee will be held on September 10, 2019 in the Commissioner's Conference Room from 10 a.m. - 12 noon

Arizona Department of Real Estate
100 N. 15th Ave., Suite 201
Phoenix, AZ 85007

All members of the public are welcome to attend

LUNCH AND LEARN FOR DEVELOPMENT SERVICES

The next Lunch and Learn meeting will be held on July 25, 2019 on the first floor conference room from 10 a.m. - 12 noon

Arizona Department of Real Estate
100 N. 15th Ave., First Floor
Phoenix, AZ 85007

Pre-register through the ADRE Message Center on the home page at www.azre.gov

REAL ESTATE PARTNERS MEETING

The next Real Estate Partners meeting will be held on October 16, 2019 on the third floor conference room from 10 a.m. - 12 noon

Arizona Department of Real Estate
100 N. 15th Ave., Third Floor
Phoenix, AZ 85007

E-mail Abby Hansen at ahansen@azre.gov or Louis Dettorre at ldettorre@azre.gov to register in advance of the meeting

The brochures below are intended to benefit the public, consumers, prospective, active, and inactive Arizona real estate licensees.

Visit www.azre.gov to view each brochure.



Subdivision Public Disclosure Report

“Public Report”

Arizona Department of Real Estate (ADRE)

TEAM
“Together Everyone Achieves More”



ARIZONA REAL ESTATE RECOVERY FUND

Arizona Department of Real Estate (ADRE)

TEAM
“Together Everyone Achieves More”



Real Estate Licensees “Duties to the Client”

(R4-28-1101)

Arizona Department of Real Estate
www.azre.gov



Arizona Department of Real Estate (ADRE)

Real Estate Advertising Rules & Guidance

By Commissioner Judy Lowe,
Arizona Department of Real Estate
K. Michelle Lind, Esq,
Arizona REALTORS® Chief Executive Officer



OBTAINING AN ARIZONA REAL ESTATE LICENSE

REAL ESTATE MEMBERSHIP CAMPING CEMETERY

Arizona Department of Real Estate
www.azre.gov
Licensing Division



HOMEOWNERS ASSOCIATION DISPUTE PROCESS

Arizona Department of Real Estate (ADRE)

TEAM
“Together Everyone Achieves More”

Arizona and Real Estate Growth Trends

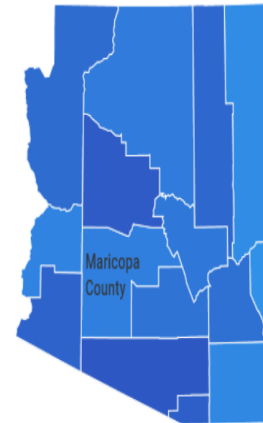
Once Again Maricopa County Number One for Increase in Population!

April 18, 2019 edition of The Wilcox Report

The Growth Trends statistics and graphs are included below with the permission of Fletcher R. Wilcox and The Wilcox Report, and are intended for informational purposes only.

2017 to 2018
Arizona Counties Population Change

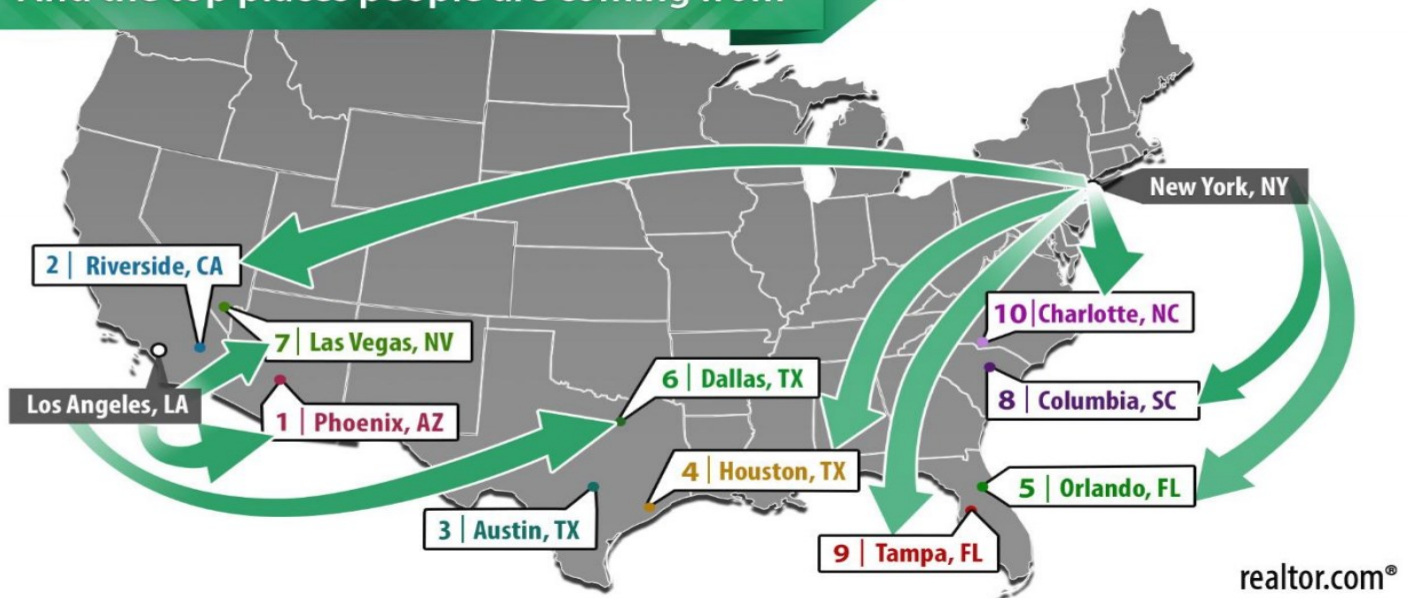
Arizona Counties	2017	2018	Change	% Change
Santa Cruz	46,636	46,511	-125	-0.3%
Greenlee	9,468	9,483	15	0.2%
Gila	53,629	53,889	260	0.5%
Apache	71,545	71,818	273	0.4%
La Paz	20,735	21,098	363	1.8%
Graham	37,501	38,072	571	1.5%
Navajo	109,144	110,445	1,301	1.2%
Coconino	141,107	142,854	1,747	1.2%
Cochise	124,990	126,770	1,780	1.4%
Yuma	209,756	212,128	2,372	1.1%
Mohave	207,114	209,550	2,436	1.2%
Yavapai	228,055	231,993	3,938	1.7%
Pima	1,027,502	1,039,073	11,571	1.1%
Pinal	432,114	447,138	15,024	3.5%
Maricopa	4,329,580	4,410,824	81,244	1.9%
	7,048,876	7,171,646	122,770	1.7%



Sales: Maricopa & Pinal Counties	2018
Total	110,181

Source: U.S. Census Bureau

METROS ADDING THE MOST RESIDENTS And the top places people are coming from



realtor.com®

Fletcher R. Wilcox©

Top Five States: Population Increase
2017 to 2018

1	Texas	28,322,717	28,701,845	379,128	1.3%
2	Florida	20,976,812	21,299,325	322,513	1.5%
3	California	39,399,349	39,557,045	157,696	0.4%
4	Arizona	7,048,876	7,171,646	122,770	1.7%
5	North Carolina	10,270,800	10,383,620	112,820	1.1%



LICENSING STATISTICS

Arizona Department of Real Estate Licensed Individuals & Entities July 1, 2019

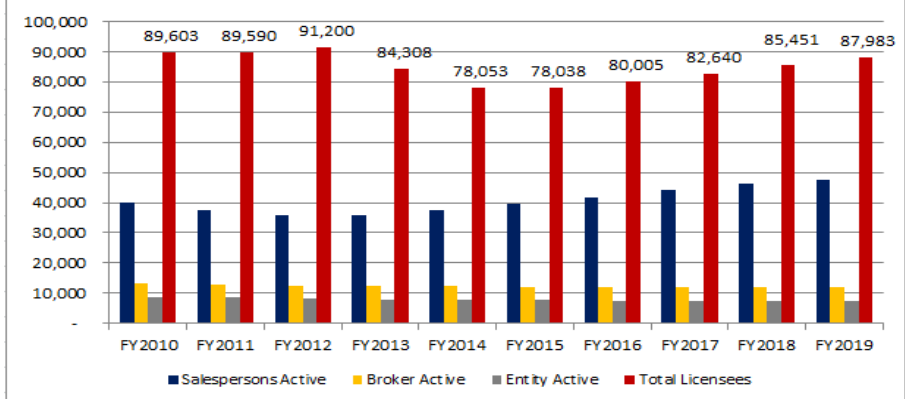
	Active	Inactive	Total Current	In Grace Period	Current + Grace Period
Individuals					
Broker	12,128	1,053	13,181	597	13,778
Salesperson	47,324	13,655	60,979	4,697	65,676
Total Individuals	59,452	14,708	74,160	5,294	79,454
Last month	59,364	14,721	74,085	5,224	79,309
% change from last month	0.15%	-0.09%	0.10%	1.34%	0.18%
Same month last year	58,457	13,408	71,865	4,961	76,826
% change from last year	1.70%	9.70%	3.19%	6.71%	3.42%
Entities					
Branch, corp	177	36	213	23	236
Branch, liability	436	76	512	46	558
Branch, Partnership	1	0	1	0	1
Branch, Self-Employed	18	4	22	2	24
Corporation	1,346	73	1,419	82	1,501
Limited Liability	3,480	184	3,664	229	3,893
Partnership	27	2	29	2	31
Self-Employed Broker	1,923	98	2,021	264	2,285
Total Entities	7,408	473	7,881	648	8,529
Last month	7,414	473	7,887	621	8,508
% change from last month	-0.08%	0.00%	-0.08%	4.35%	0.25%
Same month last year	7,500	482	7,982	643	8,625
% change from last year	-1.23%	-1.87%	-1.27%	0.78%	-1.11%
Individuals & Entities					
Total - this month	66,860	15,181	82,041	5,942	87,983
Total - previous month	66,778	15,194	81,972	5,845	87,817
% change from last month	0.1%	-0.1%	0.1%	1.7%	0.2%
Total - this month	66,860	15,181	82,041	5,942	87,983
Total - same month last year	65,957	13,890	79,847	5,604	85,451
% change from last year	1.4%	9.3%	2.7%	6.0%	3.0%

** Arizona Real Estate licensing statistics are updated monthly and posted to the Department's website at www.azre.gov. Access by clicking the link on the homepage titled "Monthly License and Exam Stats".*

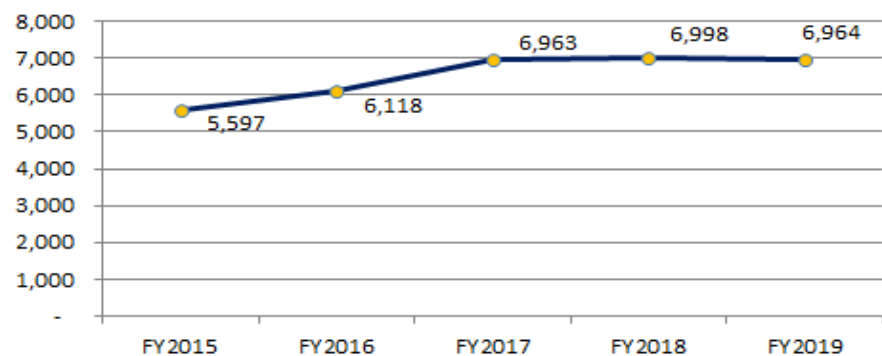
ADRE... By the Numbers

The real estate industry and its professionals continue to be a pillar of the Arizona economy. Each real estate licensee plays an intricate and important role in the success of Arizona. ADRE is pleased to share metrics - which represent an increase of practitioners entering the profession. The ADRE celebrates a "Happy New Year" two times each year. One for the calendar year on January 1st, and another for the Arizona state government fiscal year that begins on July 1. During the month of July each year, the ADRE compiles and reviews statistics from the immediate past fiscal year to compare to prior years. As of July 1, 2019, the number of Real Estate licensees totaled 87,983, a 3 percent increase from the same month last year. Approximately 88 percent of original license applications, and 98 percent of renewal applications are submitted online through www.azre.gov.

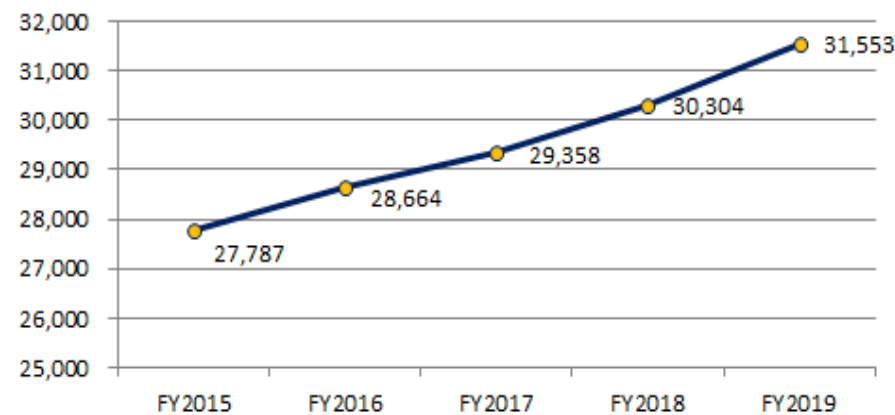
Active Real Estate Licensees by Fiscal Year (Salesperson, Broker & Entity)



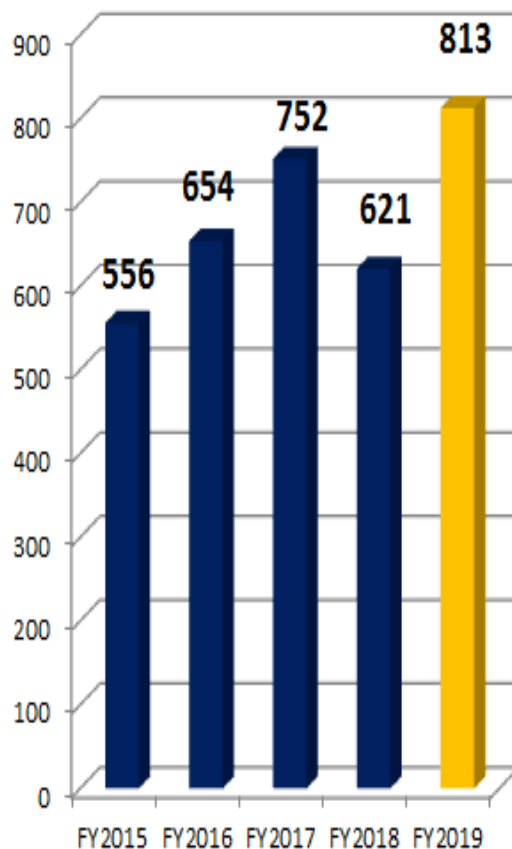
Original Salesperson & Broker Licenses by Fiscal Year



Renewal Salesperson & Broker Licenses by Fiscal Year



Subdivision Public Report Applications by Fiscal Year



An indicator of Arizona's economic development in real estate may also be observed in the number of Public Disclosure Report applications received by ADRE. The Department received 813 applications in FY 2019, a 23 percent increase from the prior year, and a 31 percent increase since 2015.

EDUCATION UPDATE

Now available online is the Real Estate Exam Performance Summary by School (first time test taker pass/fail rates) for National and State Specific performance areas.

Click [here](#) to view the summary on the ADRE Website. The summary will be updated quarterly.

NEW: Click [here](#) to view Educator Updates on the ADRE Website.

Reminders for All Schools

- **Instructor Qualifications:** Check the ADRE website for the NEW Instructor Approval Application
- **Advertising:** Real Estate Schools should review the following advertising regulations and establish policies to ensure compliance with these regulations as a school and through any owner, director, administrator instructor or other agent:

- **Arizona Revised Statutes**

Click [here](#) to view A.R.S. § 32-2135(D) and [here](#) to view A.A.C. 32-2153(A)(26).

Commissioner’s Rule A.A.C. § R4-28-502(D)

“A school shall include its name, address and telephone number in all advertising of Department approved courses. The school owner, director, or administrator shall supervise, and be responsible for all advertising. The school owner shall ensure that the school’s advertising is accurate.”

- **14-Day Course Notices** – Schools must be sure to properly schedule the course event location in the 14-Day Notice pursuant to A.R.S. § 32-2135 especially if the course is held at a location other than the school location.

EDUCATION STATS

Average Passing Percentages for "First Time Exam Takers"

EXAM TYPE	April-2019	May-2019	June-2019
REAL ESTATE BROKER	64%	66%	54%
REAL ESTATE SALESPERSON	69%	68%	68%
CEMETERY BROKER	N/A	N/A	N/A
CEMETERY SALESPERSON	80%	88%	100%
MEMBERSHIP CAMPING BROKER	N/A	N/A	N/A
MEMBERSHIP CAMPING SALESPERSON	100%	N/A	100%

Total Number of Licensees (Individual and Entity) as of June 30, 2019

87,983

ADRE Licensee Online CE Course Submissions April 3, 2019 through July 16, 2019

Total courses entered	64,672
Distance Learning	37,793
Percentages Distance Learning	58%

NATIONAL DO NOT CALL REGISTRY

Before making calls to consumers do you or your company verify the number you're calling is not registered on the National Do Not Call Registry? FAQ's from the Federal Trade Commission (The government agency that protects consumers).



the company calls again, it may be subject to a fine of up to \$16,000.

If a consumer makes an inquiry or submits an application to a company, the company can call for three months. Once again, if the consumer makes a specific request to that company not to call, the company may not call, even if it has an established business relationship with the consumer.

A consumer whose number is not on the national registry can still prohibit individual telemarketers from calling by asking to be put on the company's own do not call list.

HOW CAN I ACCESS THE REGISTRY?

The registry can be accessed only through the fully automated and secure website www.telemarketing.donotcall.gov. The first time you access the registry, you must set up a profile and provide identifying information about you and your organization. If you are a telemarketer or service provider accessing the registry on behalf of your seller-clients, you will be required to identify you seller-clients and provide their unique Subscription Account Numbers (SANs). The only consumer information available from the registry is telephone numbers. After you (or the company telemarketing on your behalf) have accessed the registry and

The National Do Not Call Registry is a list of phone numbers from consumers who have indicated their preference to limit the telemarketing calls they receive. The registry is managed by the Federal Trade Commission (FTC), the nation's consumer protection agency. It is enforced by the FTC, the Federal Communications Commission (FCC), and state officials.

WHAT CALLS ARE COVERED?

The do not call provisions of the TSR cover any plan, program or campaign to sell goods or services through interstate phone calls. This includes calls by telemarketers who solicit consumers, often on behalf of third party sellers. It also includes sellers who are paid to provide, offer to provide, or arrange to provide goods or services to consumers.

WHAT TYPES OF CALLS ARE NOT COVERED BY THE NATIONAL DO NOT CALL REGISTRY?

The do not call provisions do not cover calls from political organizations, charities, telephone surveyors, or companies with which a consumer has an existing business relationship.

HOW DOES THE ESTABLISHED BUSINESS RELATIONSHIP PROVISION WORK FOR A CONSUMER WHOSE NUMBER IS ON THE REGISTRY?

A company with which a consumer has an established business relationship may call for up to 18 months after the consumer's last purchase or last delivery, or last payment, unless the consumer asks the company not to call again. In that case, the company must honor the request not to call. If

Main Office:

100 N. 15th Ave., Suite 201
Phoenix, Arizona 85007

Visit our website at www.azre.gov

VOLUME 2019 - ISSUE 2

The Periodic Bulletin from the
Arizona Department of Real Estate

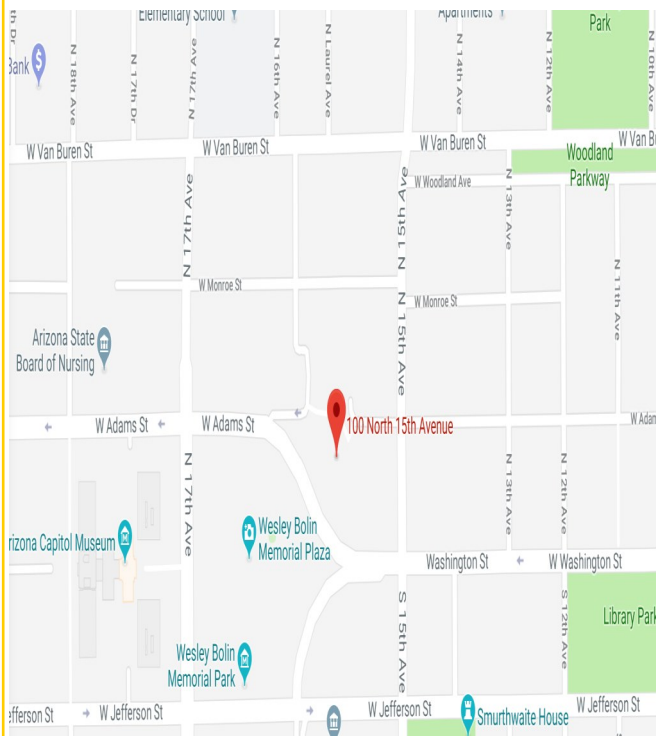
An official publication of the State of Arizona

DOUGLAS A. DUCEY
Governor

JUDY LOWE
Commissioner

THE ADRE HAS MOVED

The Arizona Department of Real Estate moved office locations on **June 11, 2018**
ADRE is now located at:
100 N. 15th Ave, Suite 201



ADRE Welcomes Lancing Adams Assistant Commissioner of Licensing Services

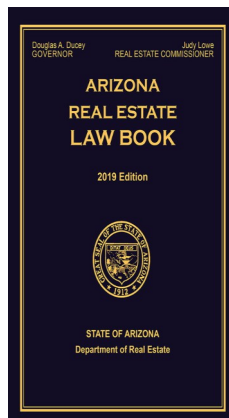
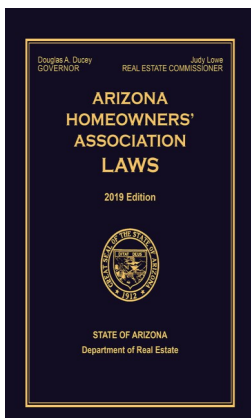
Lancing Adams will join the Executive team as ADRE's new Assistant Commissioner Licensing Services / Continuous Improvement Officer for the Arizona Management System (AMS). Lancing brings with him a wealth of experience coming



back to public service from the private sector, most recently as a Director of Operations and Finance at an Austin based construction company. Prior to that he served the state of New Mexico as the Governor's Cabinet Director, Deputy Director of the New Mexico Children, Youth & Families Department, Finance Director for the New Mexico Tourism Department and Special Projects Coordinator for the

Mayor of Albuquerque. Within those years in the New Mexico state government he has proven regulatory, legislative, licensing and TEAM development experience that will be a great asset to the Department. He has his Master of Arts in Public Administration from the University of New Mexico. Lancing looks forward to spending more time with his family and friends here in Phoenix.

HOW TO LOCATE THE ONLINE AND ORDER A HARD COPY 2019 ARIZONA REAL ESTATE LAW BOOK



- Log on to: www.azre.gov
- Select the [Laws, Rules, Policy, Statements and Advisories link](#) located on the left-hand side menu of the page.

**Laws, Rules, Policy
Statements and Advisories**

- On the right-hand side of the page, click on Online Law Book - PDF version. *Updates from the 2019 Legislative Session will be added to the online version in the Fall.*

- Law Book Order Form
- Online Law Book – PDF version

- The Law Book will appear in PDF format on your screen.

*The 2019 Real Estate Law Book is available for sale.
The link below will take you to our online order page*
<https://www.azre.gov/LawBook/Forms/Law Book Order Form.pdf>

Article published on February 26, 2018 by the Arizona Association of Realtors®

One of the most distinct and advantageous features of real estate is that it is an improvable asset. Owners of real property can have a direct effect on a property's value, whether by performing large scale renovations or small cosmetic upgrades. For this reason, fixing and flipping houses is a prevalent investment strategy, offering investors the potential of realizing significant profits over a short period of time. Many REALTORS® are attracted to fix and flip opportunities. As real estate professionals, REALTORS® often have an in-depth knowledge of the local real estate market, enabling them to make well-informed investment decisions. While REALTORS® are free to personally buy, improve, and sell properties for profit, in so doing they must be certain to comply with their legal and ethical obligations. The Use of Licensed Contractors REALTORS® should be mindful of the fact that there are statutory requirements in place that apply when an owner attempts to sell their own property after improving it. A.R.S. § 32-1121(A) (5) allows an owner of real property, with their own employees or with duly licensed contractors, to build or improve the property themselves without being licensed with the Arizona Registrar of Contractors. However, this applies only if the property is not intended to be placed for sale or for rent. According to the statute, prima facie evidence that the project was undertaken for the purposes of sale or rent is "proof of the sale or rent or the offering for sale or rent of any such structure by the owner-builder within one year after completion or issuance of a certificate of occupancy." In other words, if a property is sold or offered for sale within one year of completion of the repairs, the court will presume that the work was performed for that purpose. This restriction obviously impacts REALTORS® pursuing their own fix and flips as most have no intention of living in the property or holding on to it for a period of one year following the completion of improvements. Fortunately, A.R.S. § 32-1121(A) (6) exempts developers who build structures or appurtenances to structures on their property for purposes of resale provided that they contract with a licensed general contractor or licensed specialty contractor. To qualify for this exemption, the licensed contractors' names and license numbers must be included in all sales documents.

REALTOR® as Principal

When personally investing in real estate, REALTORS® typically act either in their individual capacity or through a corporate entity in which they hold a stake. In both cases, the REALTOR® maintains an ownership interest which must always be disclosed. A.A.C. R4-28-1101(E) prohibits a real estate salesperson from acting directly or indirectly in a transaction without informing the other parties to the transaction in writing before the parties enter into a binding agreement. Similarly, Article 4 of the REALTOR® Code of Ethics states that "REALTORS® shall reveal their ownership or interest in writing to the purchaser or purchaser's representative."

Advertising

In the fix and flip business, time is money. The more holding costs the owner incurs, the less profit they realize. For this reason, fix and flippers aggressively advertise properties in the hopes of quickly finding a buyer. A.A.C. R4-28-502(B) makes it clear that a real estate licensee advertising their own property for sale must disclose their status as a salesperson or broker by placing the words "owner/agent" in the advertisement. Article 12 of the REALTOR® Code of Ethics imposes similar obligations, prohibiting REALTORS® from advertising property in a way in which their status as a real estate professional is not readily apparent.

Property Condition Disclosures

Flippers often claim to know little about the property because they never resided there. Unfortunately, such representations are frequently false. Fix and flip, by its very name, reflects the fact that repairs and/or upgrades were made to portions of the property before it was listed for sale. As a result, flippers often possess knowledge of the property's condition, as well as an understanding of the work performed. In light of this knowledge, disclosure obligations are imposed. Not only does A.A.C. R4-28-1101(A) impose upon real estate licenses a duty to deal fairly with other parties to the transaction, A.A.C. R4-28-1101(B) requires licensees participating in a real estate transaction to disclose in writing to all other parties any information the licensee possesses that materially or adversely affects the consideration to be paid by any party to the transaction. Furthermore, all sellers have a duty to disclose known facts materially affecting the value of the property that are not readily observable and are not known to the buyer. See Hill v. Jones, 151 Ariz. 81, 725 P.2d 1115 (App. 1986).

Dual Agency

A dual agent cannot favor one party over another, nor can they disclose confidential information such as the price one party is willing to pay or accept. Ordinarily, this is not a problem and dual agency is specifically authorized by Arizona law with the written consent of both parties. See A.A.C. R4-28-1101(F). However, some situations present an unwaivable conflict of interest that precludes dual representation. An example would be a REALTOR's® attempted representation of a buyer seeking to purchase a property in which the REALTOR® holds an ownership interest. In such a case, the real estate professional simply cannot equally represent both themselves and the buyer. Consequently, when a REALTOR® has an ownership interest in the fix and flip property, dual agency should be avoided and the buyer encouraged to secure separate representation.

Continued on page 18...

Insurance

Errors and omissions (E&O) insurance is a form of malpractice coverage that provides real estate licensees with protection for claims of wrongdoing resulting from their work in the real estate profession. However, many such policies do not provide coverage when the real estate agent is selling a property they personally own, or own via a corporate entity. Those policies that do cover agent owned property transactions often require that the real estate professional take certain steps before coverage applies, such as paying for a home warranty for the buyer's benefit. REALTORS® seeking errors and omissions insurance coverage for their personally owned fix and flip transactions should therefore consult their E&O policy before pursuing investment opportunities of this nature. Conclusion Licensing laws and ethical obligations often do not allow real estate professionals to differentiate between the services they provide for others and the activity they undertake in conjunction with their own transactions. To protect the public, licensees must therefore be sure to comply with all ethical and statutory requirements whether acting as an agent or as a principal.

This article is of a general nature and reflects only the opinion of the author at the time it was drafted. It is not intended as definitive legal advice, and you should not act upon it without seeking independent legal counsel.

Flipping Houses for Profit

Article published with permission, from the Tierra Antigua Realty monthly newsletter, The Tierra Antiguan.

Here's a quick review of items we need to keep in mind in these transactions. Contractors vs. doing it yourself vs. handyman Arizona law allows for a "handyman exemption" with respect to hiring someone to make repairs; a seller can make repairs on a property without using a licensed contractor UNLESS the repairs were for the express purpose of re-sale. If a home was purchased for re-sale, then a licensed contractor must be used for all repairs, regardless of cost or how complex. We as real estate agents should ensure that our sellers have independent knowledge of their legal obligations and refer them to an attorney if they are in need of guidance in this regard.. We also need to inform them that by not following the law, they might be open to increased liability. In other words, using a contractor is not only the law but is also acts as form of risk reduction in that the contractor is then responsible for the repairs / upgrades made.

Seller Property Disclosure Statement (SPDS)

While a seller of a home being flipped might not want to fill out a Seller's Property Disclosure Statement, it is always best practice for the seller to provide the buyer with an SPDS. The seller might give such reasons as, "I've never lived in the house." or "I was told by a real estate agent with XYZ company that I don't

need to." Even more dangerous to the seller is "I believe that I have less risk if I don't provide one." By not filling out a disclosure, the seller is actually increasing their liability for non-disclosure. Arizona law states that all sellers of real property have a legal obligation to disclose what they know. If a seller has purchased the property and prepared it for re-sale, they probably know more about what is/was wrong with the house than the last person who lived in the house! The seller has this knowledge either through discussions with contractors or reviewing and approving work invoices. If there is a question that the seller is still not aware of, the SPDS allows for that answer. A better way for sellers to view a full disclosure statement is as an opportunity to brag about what was done to the house. "Yes, this and that was wrong with the home, but then I fixed it." A fully complete disclosure should be used as a marketing tool.

Real estate agents flipping homes

Real estate agents have an increased liability in flipping homes if they are the seller. As a licensee, we are held to a higher standard by virtue of our status as a licensed agent. Thus, disclosures become even more important for a seller that holds a real estate license. **Disclosure #1, Agency:** a real estate licensee must disclose that they hold a real estate license, whether that license is active or inactive. If title to the property is held by a LLC and the agent is a member of said LLC, that also needs to be disclosed. Remember, you can never take off your REALTOR® hat. Disclosure of agent/owner status needs to be made in multiple areas including, but not limited to:

1. In the contract/counter offer. NOT in an addendum later, but in the initial negotiations prior to contract execution.
2. In all advertisements
 - a. Flyers/ Magazine, Social Media, Internet etc.
 - b. Sign-rider
 - c. Public comments on MLSSAZ listing

Disclosure #2, Licensed (ROI) contractor information: a licensed real estate agent must use a licensed contractor on a home they are flipping. Thus, the agent needs to disclose to the buyer the name, contact information, and license number of the contractor who did the work on the property. This can be accomplished on the SPDS.

Disclosure #3, Seller Property Disclosure Statement: a fully filled out SPDS is not only best business practice, but it is expected for a licensed real estate agent. Owner/Agent disclosure, licensed contractor information, and a fully filled out SPDS are also...

Continued on Page 19...

required of all Tierra Antigua agents who sell a flip property in which they are the seller, per your Independent Contractor Agreement and E&O Insurance requirements. Seller forming an LLC. Believing that the use of an LLC will shield the seller from any and all risk is a common misconception. The logic is that by forming an LLC, if there is an issue later on, then the LLC will absorb all the risk and shield the seller from personal liability. While there might be a case to be made legally for this, it is something that a seller should fully explore with a real estate attorney to verify. An equally good use of time and resources is to ensure that the repairs/remodels on the re-sale properties are done correctly thus reducing the concern in regard to potential lawsuits.

By keeping these requirements for disclosure, repairs, and regulations in mind, we can help our sellers, buyers and ourselves to all reach the preferred outcome of a successful and satisfying re-sale transaction.

REAL ESTATE ADVISORY BOARD

- | | |
|--|---------------------------------|
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Chair, Phoenix | Bill Gray, Phoenix |
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Phoenix |



**NEW DRIVER LICENSE AND ID
CARD REQUIREMENTS STARTING
OCTOBER 2020**

You will need a Travel ID endorsement to use your Arizona Driver License or Identification Card at TSA security checkpoints.

**UNSURE WHETHER YOUR LICENSE
OR ID WILL FLY?**

The star in the upper right corner tells you it's a Travel ID and you're set for October 2020 and beyond.



**DON'T WAIT UNTIL
THE LAST MINUTE**
If you want a Travel ID or
will need one:
Step by step instructions at



azdot.gov/travelID

BROKER AUDIT HONOR ROLL
Brokers in Substantive Compliance – April 2019 to May 2019

License Number	Broker Last Name	Broker First Name	Brokerage Name	Type of Audit	Brokerage Location
BR507366000	Osborn	Louis W.	Arizona Legacy Realty	Onsite	Goodyear
BR013658000	Herman	Maury	Coast & Mountain Properties	EBAR	Flagstaff
BR564461000	McCabe	Joel K.	Trellis Realty LLC.	Onsite	Phoenix
BR513377000	Crites	Diana M.	Crites & Associates	EBAR	Yuma
BR027840000	Grale	Linda K.	Linda Grale Realty	ERSA	Bisbee
BR520433000	Sondge-Roth	Kenneth L.	Kenneth L. Sondgeroth	ERSA	Bullhead City
BR025895000	Boles	Carol S.	Crown King Realty	ERSA	Crown King
BR104155000	Richardson	Tom L.	Century 21-Colorado River Realty	ERSA	Bullhead City
BR117895000	Fitzgerald	David E. III	Success One Realty Inc.	ERSA	Desert Hills
BR008681000	Ebert	Michael L.	Red Property Management, LLC. ("RED")	Onsite	Phoenix
BR538887000	Bohler	Karen E.	Arizona Living Rentals & Property Management	EBAR	Lake Havasu City
BR520995000	Enriquez	Wednesday A.	Keller Williams, Professional Partners	Onsite	Goodyear
BR657088000	O'Meara	Patrick K.	Taylor Street Realty Services	Onsite	Phoenix
BR581404000	Tranetzki	Brian D.	Taylor Street Advisors	Onsite	Phoenix
BR513269000	Duckro	Richard E.	Duck'e & Associates Realty	Onsite	Phoenix
BR535429000	Kolodin	Dennis L.	Metro Realty	Onsite	Phoenix
BR560674000	Letcher	DESTYN	Destination AZ Properties	ERSA	Phoenix
BR014452000	Kobey	IVAN M.	US Investment Realty, LLC.	Onsite	Phoenix
BR005751000	Pelc	Paulette A.	The Argus Real Estate Company	Onsite	Phoenix
BR569051000	Bennett	Michael J.	MJB Real Estate	Onsite	Phoenix
BR513542000	Rall	David A.	Roadrunner Realty	ERSA	Littlefield
BR557253000	Foreman	Robert T.	Home & Away Realty	Onsite	Phoenix

DISCIPLINARY ACTIONS March 20, 2019 to July 18, 2019

ABBREVIATIONS USED IN DISCIPLINARY ACTIONS

ASA = Accelerated Settlement Agreement	BA = Broker Acknowledgement	C&D = Cease and Desist	CFO = Commissioner Final Order
CO = Consent Order	CONV = Conviction	CP = Civil Penalty	ED = Additional Education
FEL = Felony	J & S = Joint & Several	LG = License Granted	MISD = Misdemeanor
PL = Provisional License	PM = Practice Monitor	UA = Unlicensed Activity	COA = Certificate of Authority

Name	License Number	Brokerage at time of violation	Location	Summary	Order
Carlson, Ann	BR007658000	Ann Carlson Realty	Tucson, AZ	Rules violation & failure to supervise	ASA - CP \$1,500.00
Patterson, Stephen M	BR537857000	ASAP Real Estate, Inc.	Phoenix, AZ	Paid compensation in violation of rules & regulations	ASA - CP \$3,000.00, 18 hrs. CE
Stuetze, Brain P	SA526605000	Berkshire Hathaway Premier Properties	Tucson, AZ	Failure to timely disclose DUI conviction with prior disciplinary actions	CO - \$1,500 CP, 2 yrs. PL/PM, Support group twice per month, 12 hrs. CE
Brush, Robert	BR648549000	Gold Door Realty and Investments	Phoenix, AZ	Audit violations	CO - CP \$3,000, 12 hrs. CE
Drummond, Carleton Edward	BR552667000	Capstone Realty professionals	Phoenix, AZ	Audit violations	CO - CP \$3,000, 12 hrs. CE Monthly Trust Account review for 2 years
Pulst, Annette Lorraine	SA665729000		Oro Valley, AZ	Late Disclosure of DUI conviction with late renewal	CO - CP \$1,500, 2 yrs. PL/PM, 18 hrs. CE
Obracanic, Rebecca Diana	SA68421000 Candidate		Queen Creek, AZ	Convictions	CO - 2 yrs. PL/PM
Karim, Alex	SA683749000 Candidate		Scottsdale, AZ	Convictions	CO - 2 yrs. PL/PM, Support group twice per month
Raymond, M Susan	SA627067000		Peoria, AZ	Late Disclosure of Disorderly Conduct conviction with late renewal	ASA - CP \$1,500.00, 12 hrs. CE
El Rodeo 60 LLC			Bullhead City, AZ	Subdivision violation	ASA - CP \$1,000
Hernandez, Joseph Fermin	SA685975000 Candidate		Casa Grande, AZ	Convictions	CO - 2 yrs. PL/PM
Smith, Jody R	SA630951000		Phoenix, AZ	Late Disclosure of DUI conviction with late renewal	ASA - CP \$1,500.00, 12 hrs. CE
Greenberg, Ross	SA685303000 Candidate		Scottsdale, AZ	Convictions	CO - 2 yrs. PL/PM
Shrum, Allison Nicole	SA685351000 Candidate		Phoenix, AZ	Convictions	CO - 2 yrs. PL/PM, Support group twice per month
Kit, Jeremy Mykel	SA685036000 Candidate		Tucson, AZ	Convictions	CO - 2 yrs. PL/PM
Chavez, Mitchell Rafael	SA685335000 Candidate		Tolleson, AZ	Convictions	CO - 2 yrs. PL/PM
Amodia, Marlou	SA684454000 Candidate		Phoenix, AZ	Convictions	CO - 2 yrs. PL/PM
Breiman, Colton	SA684998000 Candidate		Scottsdale, AZ	Convictions	CO - 2 yrs. PL/PM
Harris, Theodore	SA682213000 Candidate		Mesa, AZ	Convictions	CO - 2 yrs. PL/PM
Austin, Brandon	SA683100000 Candidate		Queen Creek, AZ	Convictions	CO - 2 yrs. PL/PM
Walker, Carolyn	SA684385000 Candidate		Goodyear, AZ	Convictions	CO - 2 yrs. PL/PM

DISCIPLINARY ACTIONS March 20, 2019 to July 18, 2019...CONTINUED

Name	License Number	Brokerage at time of violation	Location	Summary	Order
Perkins, Jason Ross	SA670779000		Queen Creek, AZ	Late Disclosure of Unlawful Interference conviction with late renewal	ASA - CP \$1,000.00, 9 hrs. CE
Cardona, Eva M	SA563142000	Equity Realty Group	Tolleson, AZ	Unlicensed Activity by a Licensee	ASA - CP \$750.00, 12 hrs. CE
Bert, Dominick	SA685873000 Candidate		Mesa, AZ	Convictions	CO - 2 yrs. PL/PM
Willis, Richard Tilman	SA684499000 Candidate		San Tan Valley, AZ	Convictions	CO- 2 yrs. PL/PM
Abril, Theresa Audrey	SA673971000	My Home Group Real Estate	Phoenix, AZ	Felony Conviction	Revocation
Abolfathi, Farhad	BR623918000	Fortuna Asset Management	Santa Monica, CA	Rules violation, failure to register branch office, failure to provide all documents during an audit	ASA - CP \$1,500.00, 6 hrs. CE
Wright, Forest			Mesa, AZ	Subdivision violation	ASA - CP \$1,000.00, 12hrs. CE
Linde, L Todd	SA576521000		Scottsdale, AZ	Late disclosure of DUI conviction with late renewal	ASA- CP \$750.00, 6 hrs. CE
Gent, Kimberly L	SA629900000		Peoria, AZ	Rules violation and late renewal	ASA - CP \$450.00, 9 hrs. CE
Beeson, Jacob A	BR522792000	Beehive Property Management	Mesa, AZ	Audit violations	ASA - CP \$2,000.00, 9 hrs. CE
Zimmerman, Mari C	BR111330000	Ajo Realty	Ajo, AZ	Audit violations	ASA - CP \$2,000.00, 12 hrs. CE
Cantrell, John P	BR560385000	Cantrell Development Inc.	Kingman, AZ	Failure to disclose and false or misleading renewal application	ASA - CP \$2,000.00, 12 hrs. CE
Rack, Anthony James	SA669155000	Call Realty Inc.	Gilbert, AZ	Failure to timely disclose action by state bar	ASA - CP \$500.00
Burger, Jennifer Rose	SA682433000 Candidate		Glendale, AZ	Convictions	CO - 2 yrs. PL/PM
Johnson, Eric E	BR680817000		Scottsdale, AZ	Convictions	CO - 2 yrs. PL/PM
Mendoza, Jason J	BR641200000	My Rental Superstore	Scottsdale, AZ	Failure to Supervise	ASA - CP \$1,000.00, 9 hrs. CE
Lam Jr., Jorge A	SA682853000 Candidate		Yuma, AZ	Convictions	CO - 2 yrs. PL/PM
Kimbell, Michael	SA683805000 Candidate		Sedona, AZ	Convictions	CO - 2 yrs. PL/PM
Kennedy, Dennis Lee	SA682316000 Candidate		Phoenix, AZ	Convictions	CO - 2 yrs. PL/PM, Support group twice per month
Rogers, Rex E.	BR110178000	Green Valley Rental Properties, LLC	Green Valley, AZ	Failure to disclose small claims Civil Judgement	ASA - CP \$500.00, 6 hrs. CE
Honaker, Cece A.	SA624867000	My Rental Superstore, LLC	Yuma, AZ	Unlicensed Activity by a unlicensed person	ASA - CP \$1,000.00, 9 hrs. CE
Zamora, Joel	SA684259000 Candidate		Phoenix, AZ	Convictions	CO - 2 yrs. PL/PM, Support group four times per month
Snyder, Joshua P	SA649045000		Scottsdale, AZ	Convictions	Revocation
Hughes, Taylor Lauren	SA684633000 Candidate		Peoria, AZ	Convictions	CO - 2 yrs. PL/PM
Cole, John	SA682602000 Candidate		Congress, AZ	Convictions	CO - 2 yrs. PL/PM
Barrett, Terry Wayne	SA677206000 Candidate		Vancouver, AZ	Convictions	CO - 2 yrs. PL/PM
Smith, Justin M	SA545391000 Candidate		Chandler, AZ	Convictions	CO - 2 yrs. PL/PM
Swiniuch, Kenneth Nicholas	SA685084000 Candidate		Tucson, AZ	Convictions	CO - 2 yrs. PL/PM

DISCIPLINARY ACTIONS March 20, 2019 to July 18, 2019...CONTINUED

Name	License Number	Brokerage at time of violation	Location	Summary	Order
Keogh, James	SA658069000 Candidate		Maricopa, AZ	Convictions	CO - 2 yrs. PL/PM
Torres, Dominick	SA683079000 Candidate		Phoenix, AZ	Convictions	CO - 2 yrs. PL/PM
Hudson, Clint Andrew	SA685771000 Candidate		Queen Creek, AZ	Convictions	CO - 2 yrs. PL/PM
Parker, Shane P	SA681939000 Candidate		Prescott, AZ	Convictions	CO - 2yrs PL/PM, Support group twice per month
Anderson, Scott Carl	SA685258000 Candidate		Tucson, AZ	Convictions	CO - 2 yrs. PL/PM
Ross, Jason Edward	SA685270000 Candidate		Gilbert, AZ	Convictions	CO - 2 yrs. PL/PM
Saturno, Cooper Dallas	SA685076000 Candidate		Scottsdale, AZ	Convictions	CO - 2 yrs. PL/PM
Johnston, Sherri Ellen	SA683425000 Candidate		Lake Havasu City, AZ	Convictions	CO - 2 yrs. PL/PM
Munoz Campa, Alvaro	SA684230000 Candidate		Phoenix, AZ	Convictions	CO - 2 yrs. PL/PM
Kilpatrick, Yvonney Susan	SA684215000 Candidate		Scottsdale, AZ	Convictions	CO - 2 yrs. PL/PM
Hicks, Aaron Michael	SA685055000 Candidate		Gilbert, AZ	Convictions	CO - 2 yrs. PL/PM
Gomez, Oscar	SA523973000		Mesa, AZ	Convictions	ASA - CP \$500.00
Van Galder, Joseph	SA685179000 Candidate		Gilbert, AZ	Convictions	CO - 2 yrs. PL/PM, Support group twice per month
Havens, Lori Marie	SA684578000 Candidate		Gilbert, AZ	Convictions	CO - 2 yrs. PL/PM, Support group twice per month
Ellis, Donald	SA685180000 Candidate		Buckeye, AZ	Convictions	CO - 2 yrs. PL/PM, Support group twice per month
Kirkwood, Brittany Marie	SA684992000 Candidate		Mesa, AZ	Convictions	CO - 2 yrs. PL/PM
Geschwender, Kyle	SA685023000 Candidate		Scottsdale, AZ	Convictions	CO - 2 yrs. PL/PM
Porter, Jonathan Parker	SA682007000 Candidate		Tucson, AZ	Convictions	CO - 2 yrs. PL/PM, Support group twice per month
Mahoney, Casey Brian	SA663499000 Candidate		Phoenix, AZ	Non-Compliance (CE)	CO - 2yrs PL/PM, CP \$1,000.00, Support group twice per month, 12 hrs. CE
Evans, Charmalee Pearl	SA679407000 Candidate		Tucson, AZ	Convictions	CO - 2 yrs. PL/PM
Koester, Nicholas James	SA686076000 Candidate		Peoria, AZ	Convictions	CO - 2 yrs. PL/PM
Zipf, Henry	BR008479000	HENRY ZIPF REALTY CO, LLC	Tucson, AZ	Unlicensed activity by a Licensee	ASA - CP \$750.00, 9 hrs. CE
Doa, Lori Ross	BR685642000 Candidate		Scottsdale, AZ	Convictions	CO - 2 yrs. PL/PM
Bitter, Misty	SA685161000 Candidate		Maricopa, AZ	Convictions	CO - 2 yrs. PL/PM
Mankowski, Andrew	SA680659000 Candidate		Monroe, WA	Judgements for conduct violations for duties and obligations as a lawyer	CO - 2 yrs. PL/PM
Poyner, Jason	BR543102000	PHOENIX PROPERTY GROUP OF ARIZONA, LLC	Surprise, AZ	Convictions	CFO - Revoked
Hale, Sondra C	SA652991000 Candidate	S&S Southwestern Management	Glendale, AZ	Prior Department Action	CO - 2 yrs. PL/ PM

DISCIPLINARY ACTIONS March 20, 2019 to July 18, 2019...CONTINUED

Name	License Number	Brokerage at time of violation	Location	Summary	Order
Francise, Chad P	SA562461000		Scottsdale, AZ	Convictions	CFO - Revoked
Dziedzic, Heather H	BR568811000	DESERT GALLERY PROPERTIES, LLC	Scottsdale, AZ	Convictions	CFO - Revoked
Lam, Jordan Nathan	SA674779000		Tempe, AZ	Non-Compliance	CFO - Revoked
Matthews, Paul B	BR014234000	G.M.I. Southwest, Inc.	Chandler, AZ	Violation of rules and regulations	CO - CP \$3,000.00, 12 hrs. CE, Monthly Trust Account review
G.M.I. Southwest, Inc.	CO528000000		Chandler, AZ	Violation of rules and regulations	CO - CP \$3,000.00, 12 hrs. CE, Monthly Trust Account review
Beltran Espinoza, Mario	SA654858000		Buckeye, AZ	Failure to Disclose a Conviction	ASA - CP \$1,000.00, 12 hrs. CE
Gault, Crystil Anne	SA679230000		Tucson, AZ	Convictions	CFO - Denied License
Ingram, Paul A	SA518369000		Gilbert, AZ	Convictions	CFO - Revoked
Wimmer, Cary J	SA659724000		Flagstaff, AZ	Convictions	CO - CP \$3,000.00, PL/PM, 18 hrs. CE
Aerts, Elizabeth M	BR578444000	Diversified Property Management LLC	Phoenix, AZ	Audit Violations	CO-CP \$2,000.00, 9 hrs. CE
UYS Entrprises, LLC			Phoenix, AZ	Subdivision violations	ASA - CP \$1,000.00
Rubin, Helen E	BR562317000	Properties West Realty, LLC	Litchfield Park, AZ	Audit Violations	CO - CP \$3,500.00, 12 hrs. CE, Monthly Trust Account Review
Properties West Realty, LLC	LC584376000		Litchfield Park, AZ	Audit Violations	CO - CP \$3,500.00, 12 hrs. CE, Monthly Trust Account Review
Bond, Ann	SA662935000	Realty Executives LLC	Scottsdale, AZ	Failure to Disclose a Conviction	ASA - CP \$1,000.00, 6 hrs. CE
Myles, Winnfort Joseph	BR520347000	The Virtual Realty Group	Mesa, AZ	Violation of rules and regulations	CO - CP \$5,000.00, 12 hrs. CE, Affirmative Action required
Bertolo, Orlando Joseph	BR578371000	Desert Valley Realty Investments & Property Management, LLC	Mesa, AZ	Audit Violations	CO - CP \$4,000.00, PL, 12 hrs. CE, Monthly Trust Account Review
Desert Valley Realty Investments & Property Management, LLC	LC639954000		Mesa, AZ	Audit Violations	CO - CP \$4,000.00, PL, 12 hrs. CE, Monthly Trust Account Review
Calegari, Michael Sylvio	SA681088000 Candidate		Phoenix, AZ	Convictions	CFO - Denied License
Connor, Patrick	SA673142000 Candidate		Tucson, AZ	Convictions	CFO - 2 yrs. PL/PM
Brown, Brandon James Robert	SA671493000		Scottsdale, AZ	Convictions	CFO - CP \$1,000.00, 12 hrs. CE
Jacobs, Brittany Camille	SA651265000		Phoenix, AZ	Failure to Disclose a Conviction	ASA - CP \$750.00, 6 hrs. CE
O'Neal, Geranard Kiev	SA682312000		Gilbert, AZ	Convictions	CFO - Denied License
Diaz, Cristian E	SA652424000		Glendale, AZ	Failure to Disclose a Conviction	ASA - CP \$750.00, 9 hrs. CE
Carlat, Mackenzie Hyatt	SA684667000 Candidate		Tucson, AZ	Convictions	CO - PL/PM, Support group twice a month, DPS driving restrictions
Hoey, Richard P.	BR541166000	Active Renter, LLC	Phoenix, AZ	Audit Violations	CO - CP \$1,000.00, 12 hrs. CE, Monthly Trust Account Review
Active Renter, LLC	LC641029000		Phoenix, AZ	Audit Violations	CO - CP \$1,000.00, 12 hrs. CE, Monthly Trust Account Review
Judd, Chet L	BR624011000	Real Property Management Rincon, Inc.	Tucson, AZ	Audit Violations	ASA - CP \$3,000.00, 12 hrs. CE, Monthly Trust Account Review
Shoemaker, Kyle P	SA660023000	Southern Arizona Brokerage, LLC	Tucson, AZ	Violation of rules and regulations	ASA - CP \$1,000.00, 12 hrs. CE
Anderson, Michael	SA655078000	Rework Realty, LLC	Tucson, AZ	Audit Violations	ASA - CP \$1,000.00, 12 hrs. CE
Dixon, Eric S	Br627731000	Tenbar Inc. dba On Q Property Management	Gilbert, AZ	Audit Violations	CO - CP \$5,000.00, PL, 12 hrs. CE, Monthly Trust Account Review

DISCIPLINARY ACTIONS March 20, 2019 to July 18, 2019...CONTINUED

Name	License Number	Brokerage at time of violation	Location	Summary	Order
Tenebar, Inc.	CO635946000		Gilbert, AZ	Audit Violations	CO - CP \$5,000.00, PL, 12 hrs. CE, Monthly Trust Account Review
Kelley, Sarah N	SA641882000		Phoenix, AZ	Adverse Judgments	CFO - Revoked
Richardson, Jon A	BR545741000	Jon Richardson Associates LLC	Litchfield Park, AZ	Audit Violations	ASA - \$1,000.00, 9 hrs. CE
Galvez, Arturo G	BR547593000	Novus America LLC	Phoenix, AZ	Audit Violations	CO - CP \$9,000.00, PL, 18 hrs. CE, Monthly Transaction Records
Pavelic, Ante	Unlicensed		Phoenix, AZ	Unlicensed Activity	Cease and Desist Order
Licea, Astolfo L.	BR522953000	Mcalpine-Licea Properties, Choice Properties	Phoenix, AZ	Audit Violations	CO - CP \$4,000.00, 12 hrs. CE, Monthly Trust Account Review
Nfinity Group Inc.	Unlicensed		Phoenix, AZ	Unlicensed Activity	Cease and Desist Order
Copper Leaf Development Inc./ Copper Leaf Villas			Phoenix, AZ	Subdivision violations	ASA - CP \$1,000.00
Lennar Arizona Inc. Rock Springs II			Phoenix, AZ	Subdivision violations	ASA - \$4,000.00
Martinolich, Charles v.	BR105198000	Charles V. Martinolich SE	Bullhead City, AZ	Audit Violations	CO - CP \$6,000.00, 12 hrs. CE, Monthly Trust Account Review and Additional Required Actions
Valiant, Jason	unlicensed		Phoenix, AZ	Unlicensed Activity	CO - Voluntary Cease and Desist
Gayman, Joshua	SA634743000		Phoenix, AZ	Violation of rules and regulations	CO - CP \$2,000.00, 9 hrs. CE; Additional terms and restrictions
Green, Kevin C	SA582659000		Peoria, AZ	Convictions	CFO - Revoked
Janger, Joanna	BR566569000	IRENT4YOU, INC	Cave Creek, AZ	Audit Violations	CO - CP \$5,000, 12 hrs. CE, Monthly Trust Account Review
IRENT4YOU, INC	CO634670000		Cave Creek, AZ	Audit Violations	CO - CP \$5,000.00, 12 hrs. CE, Monthly Trust Review
Abrams, Joaquin C	SA639403000 Candidate		Tucson, AZ	Convictions	CO - 2 yrs. PL/ PM
NCR DEVELOPMENTS, INC.			Scottsdale, AZ	Subdivision violation	CO - CP \$3,000.00, Voluntary Cease and Desist, Public Report or Exemption
Dickson, Derek R.	SA639968000	Offerpad	Scottsdale, AZ	Failure to disclose an encroachment on the subject property	ASA - CP \$1,000.00, 9 hrs. CE
Spannuth, Renee	BR525053000	Flagstaff Property Management, Inc.	Flagstaff, AZ	Violation of rules and regulations	ASA - CP \$2,000.00, 12 hrs. CE
Hangs, Flint	SA682722000 Candidate		LHC, AZ	Convictions	CO - 2 yrs. PL/PM
Gross, Michael	BR648547000	Home Wise Realty Group, LLC	Chandler, AZ	Audit Violations	CO - CP \$8,000.00, 2 yr. PL, 18 hrs. CE, Monthly Trust Account, Instructor Privileges & License
Home Wise Realty Group, LLC.	LC630966000		Chandler, AZ	Audit Violations	CO - CP \$8,000.00, 2 yr. PL, 18 hrs. CE, Monthly Trust Account, Instructor Privileges & License
Burrue, Leonor T.	BR511843000	Norell Realty, INC.	Phoenix, AZ	Violation of rules and regulations - Trust Account Shortage	CO - CP \$4,000.00, 18 hrs. CE, Monthly Trust Account Review
Norell Realty, Inc.	CO555372000		Phoenix, AZ	Violation of rules and regulations - Trust Account Shortage	CO - CP \$4,000.00, 18 hrs. CE, Monthly Trust Account Review
Robertson, Jaymz	SA684147000		Apache Junction, AZ	Convictions	CFO - Denied License