



ARIZONA DEPARTMENT OF REAL ESTATE REAL ESTATE COMMISSION BULLETIN

Volume 2013 • Issue 3



**Judy Lowe
Commissioner**

COMMISSIONER'S CORNER

**T
E
A
M**

REAL ESTATE CREDENTIALS SPEAK VOLUMES...

When visiting your physician's office, do you read the credentials/plaques hanging on the wall and say "wow...this M.D. has incredible education and/or experience, I'm glad I chose him/her"?

As real estate professionals our real estate credentials carry the same impact with the public. Especially, here in Arizona, where it is not easy to obtain a real estate license or maintain that license.

Here are just a few tips for marketing your real estate credentials:

- 1) **An Arizona Real Estate License** - How many members of the public, or even your clients, have asked you, "Do you have an Arizona real estate license?" Probably, not many. So....why not emphasize the fact that you DO have an Arizona Real Estate License, maybe, even a Broker's license. Elaborate on what it takes to get an Arizona real estate license... 90 hours of in-classroom instruction and the passing of a very stringent exam.
- 2) **Continuing Education** – Educational Courses are required every two years to maintain the Arizona real estate license. When choosing continuing education courses for renewal, carefully choose those courses that will bring you the most needed knowledge, as well as look great on your resume. Publish the list of courses taken to renew a license, plus, all the additional education taken, featuring the titles and the subject matter. Encourage the use of the ADRE website www.azre.gov to view the educational courses that you have taken.
- 3) **Designations** – Even though specific designations aren't a part of the real estate licensing requirements in Arizona, the mention of designations in marketing yourself indicates the specialization you have acquired. I might add that instead of using just the letters (ie CRS), spell out the entire designation (Certified Residential Specialist) for the benefit of the client.

Your Arizona Department of Real Estate has been focused on "raising the bar" in Arizona real estate education. We are proud of the many licensees who are participating in these enhanced educational requirements, and most importantly, we are excited that the Arizona constituents involved in Arizona real estate transactions are realizing the benefit of a more knowledgeable licensed real estate professional representing them.

Thank you for all you do!

IMPORTANT NOTICE: NEW FORMS UPDATE

Below are links to the forms or visit the ADRE website www.azre.gov

LICENSING DIVISION:

Cancel License Voluntarily (Form LI-218) [Click Here](#)

Voluntarily cancel an Active or Inactive license.

DEVELOPMENT SERVICES DIVISION:

Subsequent Owner Exemption

As a subsequent owner of lots located in a single platted subdivision for which there is a current and accurate Disclosure Report (Public Report) issued within the past 5 years, a developer may qualify for an exemption that allows them to use that Disclosure Report (Public Report) in lieu of obtaining a new Disclosure Report (Public Report) if no material changes have been made (other than ownership & financing) which would require a new Disclosure Report (Public Report).

AUDITING DIVISION:

Property Management Audit Packet [Click Here](#)

Guidelines and information regarding Property Management Audits

Trust Account Activity Notification (Form AUD-100) [Click Here](#)

Employing Brokers use this form to notify the department when opening, closing or making change(s) to trust account(s) pursuant to A.R.S. 32-2125(A) and A.R.S. 32-2174(A) and A.A.C. R4-28-303(E)(11).



VOLUNTEER MONITOR PROGRAM RECRUITMENT INFORMATION

If you have a background and awareness of Arizona requirements and real estate educational processes then you are a good candidate to be a Volunteer Monitor.

PURPOSE: The Volunteer Monitor Program utilizes volunteer licensees to provide feedback to the ADRE by attending courses at an Arizona approved real estate schools. The purpose of monitoring real estate education is to ensure that approved schools and instructors are in compliance with Arizona Revised Statutes and Commissioner's Rules.

Volunteer Monitors shall not be an ADRE license educator affiliated with an ADRE approved school.

INFORMATION: Click on the link [Volunteer Monitor Program](#) or visit the ADRE website at www.azre.gov for more information.

CONTACT: If you are interested, contact Education Auditor Jim Williams. [Click Here](#) to be directed to the ADRE Message Center.

Inside This Issue

New Forms Update	2
Volunteer Monitor Program	2
Property Manager Guidelines	3
Broker Audit Procedure	3
Commission of Fraud Cartoon	4
Back To Work Program for Homeownership - Guest Article	5
Is the DB Responsible for Unlicensed Assistants?	6
Education Division Report	6
3 Critical Components for "Getting Paid" - Guest Article	7-8
2014 Legislative Session - What Happens Now!	9
Before Calling 'Expired Listing' ... Check 'Do Not Call List'	9
Broker Audit Honor Roll	10-11
Disciplinary Action Report	12-17
License Surrender Report	17
Department News	18

PROPERTY MANAGEMENT GUIDELINES

PROPERTY MANAGEMENT is real estate activity involving the management with written agreement. Per A.R.S. § 32-2171. In this article, unless the context otherwise requires:

1. "Property management firm" means any corporation, partnership or limited liability company licensed pursuant to section 32-2125, subsection A or a designated broker that by written agreement, manages rental property or properties for compensation.

Pursuant to A.R.S. § 32-2101(16), "Compensation" means any fee, commission, salary, money or other valuable consideration for services rendered or to be rendered as well as the promise of consideration whether contingent or not.

An Arizona Real Estate License is required to perform Property Management Services - Property management services are provided to the employing broker's clients by persons licensed to the broker and with the knowledge and permission of and supervision by the designated or self-employed broker. Any of the real estate activities listed in [A.R.S. § 32-2101\(48\)\(a-p\)](#) require an Arizona real estate license.

ATTENTION PROPERTY MANAGERS!

VISIT ADRE WEBSITE WWW.AZRE.GOV FOR PROPERTY MANAGEMENT TIPS, ENTER "AUDIT" IN THE GOOGLE BOX AND SPEND A LITTLE TIME READING ALL THE TIPS!

CLICK [HERE](#) FOR NEW PROPERTY MANAGEMENT AUDIT PACKET.

BROKER AUDIT PROCEDURE

The purpose of a Broker Audit conducted by the Department's Auditors is to confirm regulatory compliance with the Arizona Revised Statutes and Commissioner's Rules.

Audit procedures may vary depending on the type of real estate activities performed, as well as the individual business operations, procedures and processes utilized by the Broker and Entity. When applicable, the Broker Audit will include both the main and branch office(s).

In general, the Auditing staff will review **but are not limited** to reviewing:

Signage and license display	A.R.S. §32-2126.B A.R.S. § 32-2127.B A.R.S. § 32-2128
Employee files	A.R.S. § 32-2151.01
Broker's operating and/or commission account	A.R.S. §32.2155 A.R.S. § 32-2163.A & B
Broker's Policy and Procedure Manual	R4-28-1103.A
Delegations of Authority for Broker duties and Broker Temporary Absences	A.R.S. § 32-2151.01.G A.R.S. § 32-2127.D R4-28-304.B
Sales, Leasing and/or Property Management Logs	A.R.S. § 32-2151.01.E A.R.S. § 32-2175.E
Sales files for completeness and timely documented broker review	A.R.S. § 32-2151.01
Transactions in which licensees acted as a principal	R4-28-1101.E
Property Management Agreements	A.R.S. § 32-2173
Broker Trust bank accounts, including bank statements and monthly account reconciliations	A.R.S. § 32-2151
Client and Tenant Ledgers, Liability Balances and Monthly Reports	A.R.S. § 32-2175.C
Checkbook register (receipts and disbursement journal)	A.R.S. § 32-2151.A.2
Trust Account signature cards	A.R.S. §32-2174

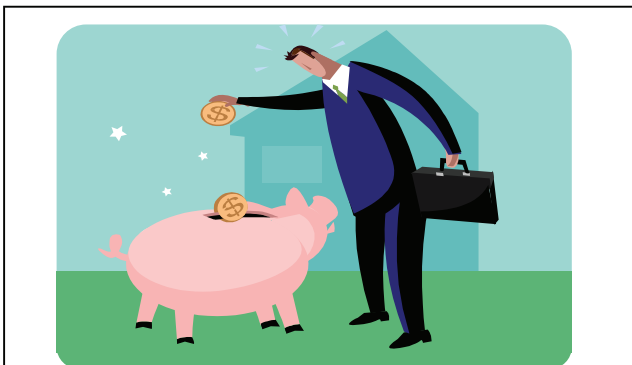
DID YOU KNOW YOU MAY BE COMMITTING OR AIDING AND ABETTING THE COMMISSION OF FRAUD?



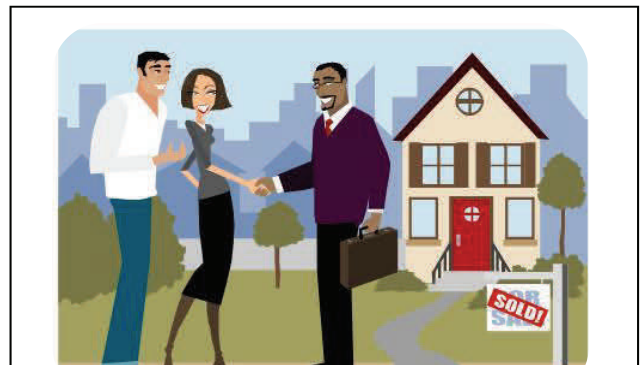
A real estate licensee accepts a Short Sale listing from a distressed home owner.



The licensee speaks to a business associate / investor regarding the purchase of the home and acts in a disclosed or undisclosed Dual Agency capacity



The licensee presents a "low ball" offer from their business associate/investor for the property to the property owner and the lender.



The lender agrees to the sale price and the property is sold to the licensee's business associate / investor.



The licensee's business associate/investor makes minimal or no improvements prior to flipping the property.



The real estate licensee lists the property for their business associate/investor for a significant profit.

BACK TO WORK PROGRAM FOR HOMEOWNERSHIP

Help Your Clients Get Back on the Homeownership Track with FHA's Back to Work Program

Guest Article By: David Richardson



Your clients and prospects today have different motivations, experiences and opportunities than in years past. Many have weathered the storm, and now they're ready to rebuild. FHA's new Back to Work program is providing them with a major stepping stone.

Back to Work is designed for consumers who lost their homes during the recession due to unemployment or a significant reduction in income, yet are now better positioned to purchase and maintain a home. The borrower must have been employed consistently for at least one year and be able to demonstrate creditworthiness and a strong recent pay history.

Back to Work reintroduces some borrowers into the market who may not have thought they qualified for a home, despite a full personal recovery from the recession. They can now enter the housing market quickly, in as little as one year following a foreclosure, and further support a statewide recovery.

If you have a client who may qualify for Back to Work, refer them to a HUD-approved, non-profit housing counseling agency such as Take Charge America. A one-hour counseling session is required as a first step in the loan approval process. Additionally, REALTORS® need to know:

- A Back to Work counseling certificate is required 30 days prior to submitting an offer.
- The certification of completion is valid for six months only. It's intended for serious buyers. Borrowers who are unable to find a home during this time must undergo another counseling session in order to qualify for the program.
- Only HUD-approved housing counseling agencies such as Take Charge America can offer a certificate of completion.
- The program will expire Sept. 30, 2016. Clients should take advantage of the program soon if they are in a position to buy.

REALTORS® or consumers with questions about the Back to Work program can contact a Take Charge America housing counselor at (866) 987-2008. Additional information can be found on the [Back to Work section of the Take Charge America website](#) or at [HUD.gov](#).

About Take Charge America

Founded in 1987, Take Charge America, Inc. is an Arizona non-profit agency providing financial education services, including credit counseling, housing counseling, student loan counseling and debt management. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. Back to Work counseling is available. The fee is \$100. Consumers can receive a 50% discount if the counseling is completed before the end of the year.

About David Richardson

David Richardson, a Certified Public Accountant, is the chief executive officer of Take Charge America, Inc. He joined the non-profit in August 2008 as the Director of Finance. He subsequently became CFO and was appointed CEO in October 2012. David has extensive for-profit and non-profit experience, including several executive-level financial management positions in the health care and financial services industries.

Editor Note: Guest column articles do not reflect the policies or interpretations of law by the Arizona Department of Real Estate. They are meant to inform the public and provide variety to ADRE's Bulletin.

IS THE DESIGNATED BROKER RESPONSIBLE FOR UNLICENSED ASSISTANTS?

Article By: Carla Randolph and Robin King, ADRE



YES! All activities, licensed and unlicensed, are performed on behalf of and for the benefit of the employing broker, i.e. licensed entity. A Designated or Self-Employed Broker is required to supervise all activities of salespersons, associate brokers and unlicensed persons working on behalf of the employing broker; therefore, it is the Department's position that all persons working on behalf of the employing broker are employees of the employing broker.

- All compensation paid to licensed salespersons and associate brokers, as well as unlicensed assistants in the employ of an employing broker must be paid by the employing broker.
- An employing broker may not pay an unlicensed assistant if the payment is based on the ultimate conclusion of a transaction.

The Department's **Substantive Policy Statement No. 2005.04: Unlicensed Assistants** describes the authorized duties of an unlicensed assistant. The Department often hears of unlicensed assistants employed by and receiving compensation from a licensed salesperson or associate broker. A typical question to the Department is "You mean that a salesperson can't hire someone to assist them and pay the assistant directly?"

Designated and Self-Employed Brokers need to review and follow statutes and rule to comply and establish policies with the employing broker regulations addressing unlicensed assistants. Additionally, real estate schools and instructors should make sure they are properly teaching employment and compensation requirements of the unlicensed assistant. The statutes and rules that address unlicensed assistants are further described in A.R.S. § 32-2101(46); 32-2121(A)(9), 32-2122 and 32-2153(A)(10), 32-2153(A)(21), and A.A.C. §R4-28-1103(A)(2), (C) and (D).

PROVIDED IS [LINK](#) TO SPS No. 2005.04 - UNLICENSED ASSISTANT
OR VISIT THE ADRE WEBSITE WWW.AZRE.GOV

EDUCATION DIVISION REPORT

Average Passing Percentages for "First Time Exam Takers"		
EXAM TYPE	Aug-2013	Sep-2013
REAL ESTATE BROKER	70%	55%
REAL ESTATE SALESPERSON	70%	69%
CEMETERY BROKER	0%	N/A
CEMETERY SALESPERSON	100%	50%
MEMBERSHIP CAMPING BROKER	N/A	N/A
MEMBERSHIP CAMPING SALESPERSON	100%	N/A
Total Number of Licensees (Individual and Entity) as of October 24, 2013		
81,337		
Active Continuing Education (CE) Courses as of October 24, 2013		
Live CE (Approximately)	2,415	
Distance Learning CE (Approximately)	307	
ADRE Licensee Online CE Course Submissions August 1, 2013 through October 24, 2013		
Total Courses Entered	42,385	
Distance Learning	21,359	
Percentages Distance Learning	50.39%	

THREE CRITICAL COMPONENTS FOR “GETTING PAID”

Guest Article By: Ed Ricketts

In the world of the Arizona real estate professional, there are three critical components for “getting paid,” each of which must be satisfied before a real estate licensee may be lawfully compensated.

1. **Proper Licensure**
2. **A Valid Real Estate Employment Agreement**
3. **Procuring Cause**

They are explained as followed:

1. **Proper Licensure** - The licensee must be actively licensed to conduct real estate at the time the compensation is earned. This requires both the appropriate licensure and employment as a real estate broker or employment to a real estate broker. For instance, if a salesperson’s license lapses or is inactive, the licensee may not under any circumstances conduct real estate, because the salesperson is not employed. Examples:
 - a) The salesperson’s license has expired. It is a violation for the salesperson to receive compensation he “earned” when the license was expired.
 - b) The broker’s license expired and all the licenses of the agents of the brokerage were automatically inactivated by the Department of Real Estate (“ADRE”). During the period of time when the agents’ licenses are inactive, they may not conduct real estate and may not then or later receive compensation for any real estate conducted during that period of time.
 - c) A person’s license is inactive because he is not employed by a broker. He may not conduct real estate – for instance, even make a referral and thereafter hire on with a broker so he can later receive the referral fee.
 - d) Before issuance of a license, a person may not conduct real estate activity in anticipation of compensation being paid once the person is properly licensed. A licensee may not be paid based on real estate activity prior to becoming licensed.

In the examples above, it is as much a violation for a broker or principal to a transaction to *pay* compensation to a person for unlicensed activity as it is for that person to *receive* real estate compensation he “earned” when not properly licensed.

The requirement for a person to be properly licensed is the fundamental tenet, the standard of care to be met before conducting real estate for compensation. There is no exception from this component requirement.

2. **Valid Real Estate Employment Agreement** - The licensee must have a valid real estate employment agreement to have an enforceable right to be paid. Without compliance with A.R.S. §32-2151.02(A) and the Statute of Frauds, the licensee has no enforceable right to receive or collect real estate compensation. The most common examples of a real estate employment agreement are the exclusive right to sell or lease listing agreement, and the exclusive buyer/tenant representation agreement. A property management agreement is also a real estate employment agreement under these provisions. See A.R.S. §32-2173(A).

However, there are three common practice exceptions to this component that permit a licensee to be paid without executing an employment agreement:

- a) Buyer representatives who are members of an MLS may rely on the MLS for payment, without having an executed employment agreement. The prevailing practice in residential resale is for the buyer to receive “free” services from the agent. There is no attempt to collect a fee from the buyer. The MLS is a contract between its broker members, so when a buyer broker obtains an accepted offer, he receives a co-broke pursuant to the compensation terms of the MLS listing.

Continue on Page 8

Editor Note: Guest column articles do not reflect the policies or interpretations of law by the Arizona Department of Real Estate. They are meant to inform the public and provide variety to ADRE’s Bulletin.

THREE CRITICAL COMPONENTS FOR “GETTING PAID”

Guest Article By: Ed Ricketts

- b) In most commercial real estate, and when practicing in an area outside of one’s MLS, the standard of care requires the buyer/tenant representative to obtain the written agreement of the listing agent consenting to share compensation with the buyer/tenant representative. This agreement must be obtained before showing the property or the buyer/tenant representative risks not being paid. As with the previous example, there is no employment agreement with the buyer/tenant required.
 - c) In some instances, an unrepresented seller/owner may enter into a compensation agreement with the buyer’s/tenant’s agent, wherein the licensee’s agency relationship with the buyer/tenant and the lack of an agency relationship with the seller/owner (the paying party) are clearly disclosed. The unrepresented seller or landlord agrees to compensate the licensee who represents the buyer or tenant, if the parties are able to negotiate an agreement to purchase or lease the property.
3. **Procuring Cause** - The licensee must be the procuring cause to demonstrate a right to compensation. A licensee is the procuring cause in a sale or lease if the licensee started the unbroken chain (sequence or continuity) of events (causation) that resulted in the sale or lease. This is a subject worthy of a whole course in itself, well beyond the scope of this article.

Here are two common exceptions to the requirement that one must be the procuring cause in order to earn compensation:

- a) The exclusive sale or lease listing agreement, while it must comply with the required elements for a valid and enforceable employment agreement, bypasses the procuring cause requirement. The fundamental covenant of the exclusive listing is that throughout its duration, the principal agrees to pay the agent without regard to whether or not the agent was the procuring cause.
- b) Likewise, an exclusive buyer/tenant broker employment agreement typically provides that the buyer/tenant is responsible for paying the agent, offset by any amount shared in a co-broke from the listing broker. However, if the buyer or tenant investigates properties without the agent, the agent may not be the procuring cause but he/she still may be paid by the buyer/tenant.

Assuming that the listing agent is properly licensed and the listing or buyer/tenant agreement meets the requirements of A.R.S. §32-2151.02(A), the exclusive listing and buyer/tenant agreements ensure compensation to the listing agent irrespective of who effects the sale or lease of the property. ♦

About Ed Ricketts

Ed Ricketts, Real Estate Designated Broker for International Property Brokers, LLC, Confidential Consultant, Real Estate Instructor and a Broker Standard of Care Consulting and Testifying Expert Witness.

Contact Information

Ed@EdRicketts.com Office: 602-277-4332

Editor Note: Guest column articles do not reflect the policies or interpretations of law by the Arizona Department of Real Estate. They are meant to inform the public and provide variety to ADRE’s Bulletin.

2014 LEGISLATIVE SESSION... WHAT HAPPENS NOW!



As the Arizona Department of Real Estate (“ADRE”) joins the rest of the governmental affairs community in preparation for the upcoming Legislative session, it is timely to provide the real estate industry we serve with a brief overview of the legislative process.

The 2014 Legislative session begins on January 13th, 2014 the second Monday of the month. Members of the House of Representatives and Senate will work to pass the State’s budget and debate legislative issues during the 100 calendar day session. It has not been uncommon in years past for the legislature to extend session to debate bills that are continuing to move through the process.

As a general update, in the months prior to session the ADRE remains engaged in the creation and submission of the agency’s budget and funding requests for the upcoming fiscal year. This request is submitted to the Governor’s Office of Strategic Planning and Budgeting (“OSPB”) for review as a part of their overall consideration of the Executive Budget. The budget will then be negotiated by the Legislature and Executive Office before ultimately being passed in bill form during the Legislative Session.

Only members of the House or Senate have the power to introduce legislation during session. Issues introduced as a legislative item are often brought to a Representative or Senator by a constituent in their district, industry associations, or a concerned member of the public who could be one or both of the aforementioned groups. Prior to a bill’s introduction in either the House or Senate, a member of the legislature must make a request to Legislative Council for the bill to be drafted. Once drafted, a bill can be introduced in the House or Senate, depending on the bill sponsor. Once the bill is read on the floor of the House or Senate it can be assigned to a committee(s). Bills must advance through their assigned committee(s) before they can be voted on by the full body of the House or Senate. Committees have the power to amend, advance, and/or hold bills to prevent them from advancing. If the legislation is passed by a majority vote of the committee it can be third read and voted on the floor of the House or Senate. If passed by the members on the floor, the bill will travel to the opposite Chamber, either the House or Senate, and will go through the same process. If the bill is amended in a committee(s) after it passes, it must travel back to where the bill was started, either the House or Senate to confirm the amendments.

Once a piece of legislation is approved by both the House and Senate it is then forwarded to the Governor for consideration. If signed, it will be effective 90 days after enactment unless otherwise stated in the bill. The 2013 Legislative Session saw 1,158 bills posted which translated to 256 new laws enacted. The Department’s 2013 Legislative Overview can be viewed by [clicking here](#).

More information about the legislative process, members in your district and facts about past sessions can be found on the Arizona State Legislature’s website at <http://www.azleg.gov> or visit [ADRE Message Center](#) to contact Louis Dettorre, Legislative Affairs Division.

BEFORE CALLING ON AN EXPIRED LISTING, CHECK THE “DO NOT CALL LIST”

Remember, there are Federal Laws around soliciting/calling individuals you do not have a relationship with.



When ADRE receives a call from a very “angry Seller”, who has been cold-called by a real estate licensee wanting to set an appointment to make a listing presentation on an expired listing...what does the ADRE customer service rep say...? The “angry Seller” is reminded to register on the Federal Trade Commission “National Do Not Call Registry” at www.donotcall.gov.

The website gives explicit instructions on how to file a complaint against a caller who may be in violation of the “Do Not Call” guidelines.



BROKER AUDIT HONOR ROLL

Brokers in Substantive Compliance July 1, 2013 to September 30, 2013

Alawi, Zacki S. "Zack" , BR581676000, Real Pros Realty AZ	Getting, John J. , BR003917000, Encore Realty
Alban, Tammi L. , BR505310000, Briana Enterprises, LLC	Hacker, Cathy , BR031413000, Northwest Valley Realty, Inc.
Andrew, Pamela A. , BR533271000, PRTEAM Realty Svcs	Harris, Marilyn W. , BR004327000, Manistee Investments, Inc.
Beres, Lynette , BR040115000, Top 5 Real Estate Group	Holguin, Rojelia G. , BR522946000, Biltmore Investment Properties, Inc.
Blanchard, Allen R. , BR003629000, Allen Blanchard and Associates	Holman, Alicia M. , BR561983000, UCI Realty, LLC
Bricker, Debra S. , BR031975000, El Dorado Holdings, Inc.	Humphrey, Jerry A. , BR007018000, Domaine Real Estate
Brobst, Roger D. , BR566459000, Phoenix Lifestyle Realty	Hunt, John F. , BR006856000, Sun Homes Realty
Bunts, Mark A. , BR013833000, C-More Investments & Homes	Jacobs, Roy W. , BR008094000, Pacific Properties
Burch, Patrick A. , BR515118000, Gorilla Capital	Johnson, Curtis B. , BR512932000, Curtis Johnson Realty
Burrue, Leonor T. , BR511843000, Ivory Towers Realty	Kasten, James A. , BR513453000, Kasten Long Commercial Group
Conway, Michael W. Jr. "Mike" , BR561065000, RSS Realty	Kirsch, Sarah C. , BR580923000, Tru Realty
Dempsey, Jennifer , BR007976000, 3-D Brokerage	Kolodin, Dennis L. , BR535429000, Metro Realty
Dewey, Dena A. , BR111538000, Dewey Realty LLC	Konetzni, Keith H. , BR542265000, Apartment Finders
Drew, Gary A. , BR546070000, Coldwell Banker Daisy Mountain Real Estate	Kvist, Erin E. , BR561624000, RE/MAX Mosaic Properties
Fagundes, John , BR539372000, AZREAPM	Lesieutre, Thomas M. , BR045135000, Red Manor Realty
Felton, Kelly A. , BR114788000, Exclusive Properties of Arizona	Lombard, Justin A. , BR557000000, Stone House Realty of Arizona
Fox, Lloyd C. , BR529637000, Long Realty The Fox Group	McLoone, Angus B. , BR504128000, Summit Services and Realty
Francis, Richard A. , BR518364000, Heinz Rich Properties	Melchin, Wade K. , BR043032000, The Biltmore Group

Continue on Page 11

BROKER AUDIT HONOR ROLL

Brokers in Substantive Compliance July 1, 2013 to September 30, 2013

Merriman, James A. , BR100559000, OP Property Management, Inc.
Mishkin, Keith M. , BR039542000, Cambridge Realty
Mitchell, Judy M. , BR538350000, Mitchell Realty & Property Management
Montgomery, Desiree D. , BR554221000, Buy and Sell Smart Realty
Mossing, Douglas J. , BR027882000, Village Management of AZ
Mudd, Kimberly T. , BR581230000, Sound Realty
Mulligan-Reising, Krista , BR555238000, Move N Places
Mulvey, Theresa A. , BR117355000, Real Estate Direct, Inc.
Nieblas, Isaac V. , BR512895000, INHOUSEVIP
Noble, Thomas D. , BR005800000, Platinum Premier Realty, LLC
Otero, Gloria "Elise" , BR006520000, Otero Realty Group and Property Management
Pinson, Kenneth D. "Dan" , BR541440000, International Realty Partners
Prescott, John E. , BR017870000, PRS Property Management
Reid, Michael D. , BR031502000, Ultimate Properties, Inc.
Rusing, Andrea , BR512797000, Grossman Company Properties
Ruskin, Daniel F. Jr. "Dan" , BR075945000, Claddagh Properties, LLC
Saint-Maux, Leslie A. , BR547751000, Century 21 Global Partners
Slattery, Susan M. , BR112912000, Professional Action Realty

Smith, Christopher M. , BR101083000, Sunbelt Realty and Business Advisors, LLC
Stewart, Charles O. , BR529234000, Stewart Investment & Management, LLC
Tenney, Taylor R. , BR563267000, On Q Property Management
Tindell, Lloyd R. , BR117908000, Shield Property Management
Toma, Benjamin "Ben" , BR539532000, Toma Partners
Walker, Bennett , BR556222000, San Marco Realty
Wise, Charles E. Jr. , BR573784000, Lost Dutchman Realty, LLC
Zeitzer, Beth Jo , BR044331000, R.O.I. Properties

DISCIPLINARY ACTIONS (7-1-2013 to 9-30-2013)

ABBREVIATIONS USED IN DISCIPLINARY ACTIONS

CP = Civil Penalty	CE = Continuing Ed	PL = Provisional License
J&S = Joint & Severally	PM = Practice Monitor	BA = Broker Acknowledgement

Name	Brokerage at time of violation	Location	Summary	Order
Jeffrey Ashby <i>BR640925000</i>	Inactive	Out of State	Failed to timely disclose a September 2012 disciplinary action by the Texas State Real Estate Commission.	\$750.00 CP
Brenda R Atkinson <i>BR038633000</i>	First Choice Management & Sales LLC	Lake Havasu City	Audit violations; trust account shortage.	\$2,000.00 CP, 2 yr PL, 6 hr CE in Commissioner Standards (trust account administration); \$30,000 Surety Bond, Quarterly Review of records.
Lorenzo Barcellone <i>SA586081000</i>	Firefly Real Estate LLC	Buckeye	Failed to comply with terms of previous Commissioner's Final Order.	Revocation of License (Default)
Lenette Beall <i>SA559031000</i>	Inactive	Scottsdale	Failed to timely disclose a September 2011 misdemeanor conviction.	\$1,000.00 CP
Britannia Realty & Property Management LLC <i>LC640783000</i>		Wittmann	Failed to comply with terms of previous Consent Order (12F-DI-390)	Revocation of License (Default)
Carolyn Brownell <i>SA583767000</i>	Curtis Johnson Realty	Gilbert	Failed to timely disclose an October 2010 misdemeanor conviction.	\$750.00 CP
Jeff T Burks <i>BR627849000</i>	Desert Valley REO	Scottsdale	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (Default)
Thomas B Campbell <i>SA503683000</i>	Diamond Resorts International	Sedona	Failed to timely disclose a January 2013 misdemeanor conviction.	\$400.00 CP
Dennis E Campbell <i>BR513038000</i>	Campbell Realty Advisors	Peoria	Failed to timely disclose a February 2012 misdemeanor conviction.	\$750.00 CP
Luis Carrasco <i>SA564135000</i>	GDM Residential Realty Corp	Phoenix	Failed to timely disclose an August 2011 misdemeanor conviction.	\$750.00 CP
Casa Vista Properties Inc <i>CO540744000</i>	Casa Vista Properties	Tucson	Audit violations; trust account shortage.	Revocation of License (default)
Harry Chandler <i>SA560795000</i>	Windermere Real Estate Northern Arizona	Prescott	Conducted real estate activity for 1+ months while license was Inactive.	\$400.00 CP

DISCIPLINARY ACTIONS (7-1-2013 to 9-30-2013)

Name	Brokerage at time of violation	Location	Summary	Order
John Corwin SA584391000	Property Management Real Estate Services Inc	Peoria	Conducted real estate activity for 2+ months while license was Inactive.	\$400.00 CP
Justin Dempsey SA563512000	Tierra Antigua Realty LLC	Tucson	Failed to timely disclose a July 2010 misdemeanor conviction.	\$750.00 CP
Kelly Devereaux-McIntosh SA500444000	Realty Executives Northern Arizona	Prescott	Prepared and signed a residential lease with another person's name, without that person's prior, express, written permission.	\$3,000.00 CP, 30 day license suspension, 2 yr PL/PM, 6 hr CE in Commissioner Standards
Jeannette Lynn Duffield SA558295000	Inactive	Scottsdale	March 2012 felony conviction for Endangerment.	Revocation of License, \$1,000.00 CP
Wednesday A Enriquez BR520995000	Keller Williams Professional Partners	Goodyear	Audit violations; failure to supervise.	\$2,000.00 CP, 2 yr PL, 6 hr CE in Commissioner Standards (trust account administration); Quarterly Review of records.
Mario T Espinoza BR509316000	Scottsdale Luxury Properties	Scottsdale	Failed to timely disclose an April 2011 misdemeanor conviction.	\$750.00 CP
Michael J Fahey BR575836000	Real Living Country Ranch	Bullhead City	Audit violations; shortage in property management trust account.	\$2,000.00 CP, 2 yr PL, 6 hr CE in Commissioner Standards (trust account administration); \$30,000 Surety Bond, Quarterly Review of records.
Hector D Felix SA580149000	Transcity Property Management	Mesa	Failed to timely disclose a December 2006 misdemeanor conviction.	\$1,000.00 CP
Marie Fields SA540520000	Prestige Realty	Phoenix	Failed to timely disclose an October 2012 misdemeanor conviction.	\$400.00 CP
Timothy Fine SA542548000	Inactive	Gilbert	Failed to timely disclose a December 2012 misdemeanor conviction.	\$750.00 CP
Richard T Fitzgerald SA641053000	Keller Williams Arizona Realty	Scottsdale	Multiple violations, conducted real estate activity through an unlicensed entity, misrepresentation.	\$5,000.00 CP, 30 day license suspension, 2 yr PL/PM, 6 hr CE in Commissioner Standards.
W Scott Fruit SA511939000	Inactive	Tucson	February 2013 conviction for Conspiracy to Commit Bank Fraud and Conspiracy to Commit Transactional Money Laundering	Summary Suspension of License.

DISCIPLINARY ACTIONS (7-1-2013 to 9-30-2013)

Name	Brokerage at time of violation	Location	Summary	Order
William H Fuller <i>SA503410000</i>	Citywide Real Estate	Phoenix	Conducted real estate activity for 4+ months while license was Inactive.	\$750.00 CP
Karen Goldman <i>SA561619000</i>	Sedona Pines LLC	Sedona	Failed to timely disclose a December 2012 misdemeanor conviction.	\$400.00 CP
Maryon Louise Gomez <i>BR023557000</i>	Britannia Realty & Property Management LLC	Wittmann	Failed to comply with terms of previous Consent Order (12F-DI-390)	Revocation of License (Default)
Gary B Gordon <i>SA570161000</i>	Inactive	Fountain Hills	May 2012 felony conviction for Burglary in the Second Degree, failed to respond to Department notice of hearing.	Revocation of License (Default)
David M Gould <i>BR007527000</i>	Self Employed	Glendale	Paid compensation to an unlicensed entity.	\$1,500.00 CP, 2 yr PL, 6 hr CE in Commissioner Standards
Marvin Green <i>SA523652000</i>	Russ Lyon Sotheby's International Realty	Phoenix	Multiple violations, commingled client money with personal money, website contained inaccurate information.	\$2,500.00 CP, 2 yr PL/ PM, 12 hr CE in Commissioner Standards.
Jeff Grobstein <i>BR023466000</i>	Meritage Homes of Arizona Inc	Tucson	Failed to properly supervise, resulting in unlicensed activity by employee.	\$400.00 CP
John Groendyke <i>SA638101000</i>	Inactive	Out of State	Failed to timely disclose an October 2011 misdemeanor conviction.	\$750.00 CP
Sophia Harris <i>SA581805000</i>	Meritage Homes of Arizona Inc	Tucson	Conducted real estate activity for 3 months while license was Inactive.	\$750.00 CP
Allen Hartwig <i>SA519517000</i>	Ken Meade Realty	Sun City West	Failed to timely disclose a February 2013 misdemeanor conviction.	\$400.00 CP
Joseph Heckel <i>BR543641000</i>	Property Management Real Estate Services	Peoria	Failed to properly supervise, resulting in unlicensed activity by employee.	\$250.00 CP
Jeffrey Hockett <i>SA550443000</i>	Keller Williams Professional Partners	Goodyear	Paid and received compensation for an unlicensed entity.	\$1,000.00 CP, 6 hr CE in Commissioner Standards
Sandra Diane Jackson <i>SA635625000</i>	Foothills Properties Mgmt & Realty	Tucson	February 2013 felony conviction for Conspiracy to Commit Wire Fraud.	Summary Suspension of License.

DISCIPLINARY ACTIONS (7-1-2013 to 9-30-2013)

Name	Brokerage at time of violation	Location	Summary	Order
Everett Edward Jacobs <i>BR037552000</i>	Arizona Coast Properties	Lake Havasu City	Audit violations; trust account shortage.	\$1,500.00 CP, 2 yr PL, 6 hr CE in Commissioner Standards (trust account administration); \$30,000 Surety Bond, Quarterly Review of records.
John E Jestila <i>BR024525000</i>	Jestila & Associates	Tucson	Failed to timely disclose a November 2010 misdemeanor conviction.	\$750.00 CP
Cari Johnson <i>SA577613000</i>	Desert Paradise Realty & Property Management	Phoenix	Failed to timely disclose a July 2012 misdemeanor conviction.	\$400.00 CP
Jason D Jones <i>BR511974000</i>	Distinctive Showcase Properties	Scottsdale	Failed to properly supervise, resulting in unlicensed activity by employee.	\$250.00 CP
Timothy J Jones <i>SA539909000</i>	Inactive	Scottsdale	Failed to timely disclose a December 2009 misdemeanor conviction.	\$750.00 CP
Jessica L Jones <i>SA559649000</i>	Curtis Johnson Realty	Gilbert	Failed to comply with terms of previous Consent Order.	Revocation of License (Default)
Walter E Juris <i>BR009013000</i>	Citywide Real Estate	Phoenix	Failed to properly supervise, resulting in unlicensed activity by employee.	\$400.00 CP
Nancy Ann Keupp <i>BR025853000</i>	Casa Vista Properties	Tucson	Audit violations; trust account shortage.	Revocation of License (default)
Elizabeth King <i>SA522375000</i>	Inactive	Scottsdale	Failed to timely disclose a February 2011 misdemeanor conviction.	\$400.00 CP
Bonnie Kingcannon <i>SA629386000</i>	Realvest Solutions	Phoenix	Conducted real estate activities through an unlicensed entity.	\$4,000.00 CP, 60 day license suspension, 2 yr PL/PM, 6 hr CE in Commissioner Standards
Anna "Dani" Lanz <i>SA506081000</i>	Trevor Hancock Realty	Scottsdale	Failed to complete CE in a timely manner.	\$300.00 CP
Joseph Lindquist <i>SA581734000</i>	DPR Commercial	Scottsdale	Failed to timely disclose a December 2010 misdemeanor conviction.	\$750.00 CP
Mark A Little <i>SA033324000</i>	SRL Group	Phoenix	Failed to comply with previous Consent Order, unlawful compensation, commingled funds, failed to respond to Department requests for documents.	Revocation of License (Default)

DISCIPLINARY ACTIONS (7-1-2013 to 9-30-2013)

Name	Brokerage at time of violation	Location	Summary	Order
Mark Maly <i>SA576146000</i>	Keller Williams Arizona Realty	Scottsdale	Multiple violations, conducted real estate activity through an unlicensed entity, offered commissions to unlicensed individuals, misrepresentation.	\$7,000.00 CP, 60 day license suspension, 2 yr PL/PM, 6 hr CE in Commissioner Standards.
Kevin McClure <i>BR508550000</i>	Powerhouse Realty	Scottsdale	Failed to properly supervise, resulting in unlicensed activity by employee.	\$400.00 CP
Peter McQuaid <i>BR518157000</i>	Sperry Van Ness LLC	Phoenix	Failed to timely disclose a January 2013 misdemeanor conviction.	\$750.00 CP
Robert M Moreno <i>SA583726000</i>	Engel & Volkers	Phoenix	Conducted real estate activity for 3+ months while license was Inactive.	\$750.00 CP
Jared Murphy <i>BR563211000</i>	Return Realty LLC	Phoenix	Failed to disclose a disciplinary action taken by the State of New Mexico when applying for an entity/employing broker license.	\$1,500.00 CP, 2 yr PL, 6 hr CE
Diane L Neslund <i>SA030227000</i>	Distinctive Showcase Properties	Scottsdale	Conducted real estate activity for 1 1/2 months while license was Inactive.	\$400.00 CP
Charles Odum <i>SA640954000</i>	Above and Beyond Realty	Glendale	Failed to timely disclose a January 2013 misdemeanor conviction.	\$750.00 CP
Leticia Ortiz <i>BR583843000</i>	Mirage Realty	Buckeye	Failed to comply with terms of previous Commissioner's Order (11F-DI-609)	Revocation of License
Edward Pattermann <i>BR529300000</i>	NAZ Realty Group	Prescott	Failed to properly supervise, resulting in unlicensed activity by employee.	\$250.00 CP
Taide Pineda <i>SA580854000</i>	Arizona Property Management & Investments	Peoria	Failed to timely disclose a January 2011 misdemeanor conviction.	\$750.00 CP
Joshua Rothberg <i>BR517401000</i>	Scout Realty LLC	Mesa	Audit violations; shortage in property management trust account.	Revocation of License (Default)
Marvin L Rouselow <i>BR557491000</i>	Self Employed	Out of State	August 2012 revocation of California Real Estate license for false misrepresentation and not having the honesty and integrity to hold a California real estate license.	Revocation of License (Default)
Sales and New Developments LLC <i>Unlicensed Entity</i>	Unlicensed Entity	Bullhead City	Failed to comply with terms of previous Consent Order.	\$1,000.00 CP, submit a substantially complete application for a Public Report within 60 days.

DISCIPLINARY ACTIONS (7-1-2013 to 9-30-2013)

Name	Brokerage at time of violation	Location	Summary	Order
Denise Muller Satterlee <i>SA567345000</i>	Nextage Realty Professionals	Prescott	July 2013 felony conviction for Conspiracy to Violate the Arms Export Control Act.	Summary Suspension of License.
Scout Realty LLC <i>LC634991000</i>		Mesa	Audit violations; shortage in property management trust account.	Revocation of License (Default)
Anna Sherry <i>Unlicensed Applicant</i>		Phoenix	December 1997 conviction for Transportation of Stolen Money. License application denied.	License granted, 2 yr PL/PM, \$5,000 Surety Bond
Jacqueline Smith <i>BR044421000</i>	West USA Realty	Phoenix	Failed to timely disclose a January 2011 adverse judgment.	\$750.00 CP
Daniel John Urrea <i>BR568301000</i>	Inactive	Tucson	March 2012 felony conviction for Attempted Theft.	Revocation of License (Default)
Sabrina Watson <i>SA643301000</i>	Keller Williams Arizona Realty	Scottsdale	Failed to timely disclose an April 2013 misdemeanor conviction.	\$400.00 CP
Timothy Wayne Westbrook <i>BR586573000</i>	Westbrook Vacation Rentals	Phoenix	Audit violations; shortage in property management trust account.	Cease and Desist
Westbrook Development Partners LLC <i>LC640762000</i>	Westbrook Vacation Rentals	Phoenix	Audit violations; shortage in property management trust account.	Cease and Desist
Sandra L Wilken <i>BR015674000</i>	Sandra Wilkens Properties	Scottsdale	Failed to properly supervise, resulting in unlicensed activity by employee.	\$400.00 CP

LICENSE SURRENDER REPORT (7-1-2013 to 9-30-2013)

ARS §32-2137(A) - Surrender License

If the Department has commenced a disciplinary proceeding **against** a licensee, the licensee may request in writing to voluntarily surrender their license to the Department, only, if the surrender of the license occurs not less than 10 days prior to a hearing. After acceptance of the voluntary surrender, **“the Department shall not thereafter issue a license under this chapter to the licensee.”**

Choosing to surrender a license would forego a licensee’s ability to ever apply for a license through the Arizona Department of Real Estate in the future.

LAST NAME	FIRST NAME	LIC NUMBER	E & C FILE	SURRENDER DATE
GARLING	CAROL E.	BR106247000	13F-DI-254	9/18/2013

DEPARTMENT NEWS

COMMISSIONER LOWE ANNOUNCES APPOINTMENT OF TWO NEW ASSISTANT COMMISSIONERS



CARLA RANDOLPH, ASSISTANT COMMISSIONER LICENSING / EDUCATION / DEVELOPMENT SERVICES

Ms. Randolph has served ADRE for 28 years and will continue in her role as Education Manager along with overseeing the Licensing and Development Services Divisions.



LOUIS DETTORRE, ASSISTANT COMMISSIONER OPERATIONS / LEGISLATIVE AFFAIRS

Mr. Dettorre will continue to serve as Legislative Liaison, Recovery Fund Administrator and oversee the Business Services Division. Mr. Dettorre holds a Bachelors in Communication from the University of Dubuque and a Master's in Public Administration from ASU.

COMMISSIONER LOWE IS AN 'IMPACT PLAYER'

Commissioner Judy Lowe was recently recognized in the 2013-2014 Arizona Business Leaders Magazine as an 'Impact Player'. The magazine, which recognizes 'leaders who are catalysts for Arizona's economy', noted the Commissioner's 2009 appointment to her seat by Governor Brewer, as well as her 2003 award of Arizona Realtor of the Year and her current strong emphasis on building partnerships within the real estate industry.

Commissioner Lowe is honored by this recognition and is proud to serve and have the opportunity to positively 'impact' the State of Arizona, including the Real Estate industry.

"TEAM" KUDOS RECOGNITION



Gloria Gutierrez
Commissioners Office

Ms. Gutierrez has been recognized for providing "Top Notch" service and demonstrating superior knowledge and pleasant professionalism.

"Excellent attitude! I could feel that her smile was genuine. This was the easiest experience dealing with the bureaucracy that is government"

- ADRE Licensee



Millie Walters
Licensing Division

Ms. Walters has been recognized for providing "Exceptional Customer Service" to the real estate industry, with her pleasant demeanor and fun sense of humor.

"It is with delight that I am sending this special acknowledgement. It is a blessing to have met such a positive & caring person. Thank you for taking the time & initiative to ensure my license was updated and renewed."

- ADRE Licensee



Official Publication
ARIZONA DEPARTMENT OF REAL ESTATE
2910 N. 44th St, Suite 100
Phoenix, Arizona 85018

VOLUME 2013 - ISSUE 3

The Periodic Bulletin from the
Arizona Department of
Real Estate

*An official publication of the
State of Arizona*

JANICE K. BREWER
Governor

Judy Lowe
Commissioner

Real Estate Advisory Board

Kimberly Horn, Chair
Kim Clifton, Vice - Chair
Charles Bowles
Carla Bowen
Frank Dickens
Bill Gray
Scott Peterson
Jo Ann Sabbagh
Dennis Wilenchik

Note: Please check your mailing label and if the date above your name is more than 1 year old, you must subscribe for another year. Send check for \$20 payable to ADRE and note your request on your envelope