



# Arizona Department of Real Estate Bulletin

Volume 2014 • Issue 1



Judy Lowe  
Commissioner

COMMISSIONER'S  
CORNER

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## LOOKING TO THE FUTURE...

The ADRE Team has completed, and is implementing the Arizona Department of Real Estate Strategic Plan 2014-2018. What an exciting experience to review the many improvements/changes that have occurred at ADRE over the last 4 ½ years, and what we as a TEAM are committing to for the next 4 years. This TEAM has proven that “downsizing” is good, and that as long as each staff member was involved in the goal setting, almost anything can be achieved. Together, we are looking forward to the next 4 years with a very positive and aggressive Plan. Let us share an overview of that Plan from a strategic perspective.

**Strategic Issue #1:** Increase Protection to the Public. As a regulatory agency charged with protecting the public, the ADRE emphasis will be on building partnerships within the attitude of supporting a TEAM concept, focused on “raising the bar” primarily through education of the real estate industry, thus minimizing the actions that may cause harm, while educating the public as to what to be aware of in their real estate transactions.

**Strategic Issue #2:** Enhance Quality of Licensee Real Estate Education. Real estate education is a fundamental element of enhancing the highest level of knowledge and professionalism within the real estate industry. Real Estate Educators are a critical component of the overall success of the industry and its contribution to the Arizona economy.

**Strategic Issue #3:** The ADRE strives to be a provider of responsive and reliable services to Arizona’s real estate industry and the public. The day-to-day activities of the Department rely on efficient internal business systems, and a technology platform that supports these systems and the delivery of the high quality services. Although much improved within the last four years, ADRE will continue to work closely with the Government Transformations Office (GTO) to improve, modernize and streamline our agency processes.

**Strategic Issue #4:** The ADRE’s information Technology infrastructure must continue to advance in order to facilitate more efficient internal processes, and to keep pace with the technologically-savvy real estate industry and public. These improvements must be achieved in both the Departments internal data storage and document management and the online services development.

**Strategic Issue #5:** Promote Committed, Skilled, and Accountable ADRE Team: As of January 31, 2014 ADRE employs 31.5 Employees, with 22% of staff eligible for ASRS retirement. The ADRE has adjusted to leaner staffing levels, tighter budgets and continues to realize the need to attract and retain Department staff with industry expertise. The focus moving forward will continue to be on the ability to implement strategies to mitigate anticipated departures of valuable employees, to preserve and transfer the historical institutional knowledge of retiring staff, and to implement recruitment measures to attract top talent and improve on staff job satisfaction.

**Strategic Issue #6:** Adhere to Fiscal Guidelines: In response to Arizona’s fiscal crisis beginning in 2008, the Department has successfully accommodated budget cuts and reduced staffing levels, while operating with less annual appropriations. The Department staff will continue to focus on “doing more with less”, and the staff Team will always be appropriately knowledgeable of the adherence to each annual prescribed budget demands.

The ADRE Team realizes the negative impact of Arizona’s economic recession on the State’s real estate industry, and applauds each licensee who survived. We, along with each of you are celebrating an improved Arizona economy, as well as the improvements in the Arizona real estate market.

If anyone would like to review the Goals and Objectives specific to the 2014 Strategic Plan, you may [click here](#) . ADRE is always open to feedback from our Stakeholders and the public via our Message Center. **LOOKING FORWARD TO A VERY PROGRESSIVE 2014!!!**

## Governor's Report Highlights Efficiencies, Innovations in Arizona State Government

Please join Commissioner Lowe in thanking and congratulating the members of the ADRE Disclosures Process Team who worked with the Governor's Office of Government Transformation this past Fall on a project to streamline the Disclosures process at ADRE. As a result of this effort, processing time for licensing disclosures has been reduced by 90%. [Click here](#) for full report

### Disclosures Process Team Members:

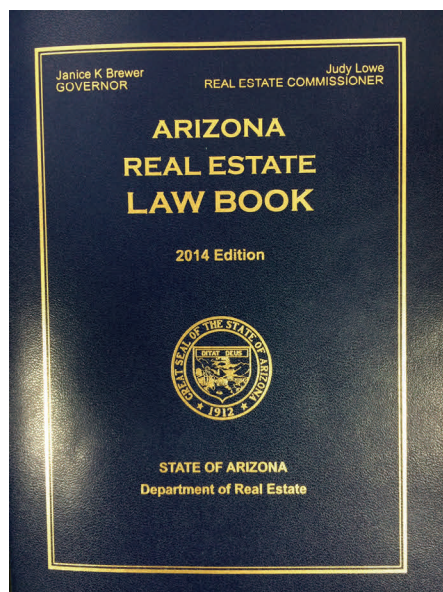
Carla Randolph – Assistant Commissioner Licensing/ Education/ Development Services  
 Louis Dettorre – Assistant Commissioner Operations/ Legislative Affairs  
 Sarah Dobbins – Chief of Staff  
 Robin King – Investigations and Auditing Manager  
 Christine Andert – Disclosures Coordinator  
 Limni Varela – Customer Service Representative  
 Wendy Greenwood – Investigator

ADRE is committed to top quality service and looks forward to a continued partnership with the Office of Government Transformation!

### 2014 Law Books Are Here!

After much anticipation the 2014 Arizona Real Estate Law Books have arrived! The Department has gone a step beyond past versions by including with your purchase of the soft bound book an eBook that can be accessed from your desktop and mobile device. The 2014 edition contains Real Estate Laws, Appraisal Laws, Condominium Act, Commissioner Rules, and Substantive Policy Statements. The total cost of a new Law Book is \$21.00 which includes shipping and handling. You can access the order form on the ADRE website at [www.azre.gov](http://www.azre.gov) and mail to the Department (see address below), through the Message Center, or by clicking [here](#).

Law Book  
 Arizona Department of Real Estate  
 2910 N. 44<sup>th</sup> Street, Suite 101  
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## OHIO COURT: ADVANCES ON BROKER COMMISSIONS VIOLATED LENDING & REAL ESTATE LICENSING LAWS

An Ohio appellate court recently ruled that agreements transferring a real estate licensee's rights to receive future commissions to a Commission Express franchise violated the state's lender licensing laws and, pursuant applicable real estate licensing laws, were unenforceable against the brokerage firm with whom the licensee was associated.

According to the decision issued in *Fenway Fin., LLC v. Greater Columbus Realty, LLC*, a real estate licensee, Lambright, entered into 18 separate transactions in which she received monies from Fenway Financial, LLC d/b/a/ Commission Express in exchange for her right to receive future commission. Commission Express gave notice of Lambright's "assignment" of the "accounts receivable" to Keller Williams Greater Columbus Realty, the brokerage company with which she was affiliated. The brokerage company refused to pay the sums, alleging that it was precluded from doing so by Ohio's real estate licensing law, R.C. 4735.20, which provides, "[n]o broker shall pay a fee, commission, or other compensation that is due to an affiliated licensee to a third-party creditor of the affiliated licensee." [emphasis added]. Lambright allegedly defaulted in six of the transactions.

Commission Express sued the brokerage company in a trial-level Ohio court for recovery of the assigned commissions. The Director of the Ohio Department Commerce was made a defendant in the case after the department issued subpoenas alleging that the Commission Express business model violated state laws requiring those in the business of lending to obtain a license [R.C. 13221.02]. The trial court granted summary judgment in favor of Keller Williams and the director, ruling that the transactions were loans for which Commission Express did not possess the required license, and that R.C. 4735.20 precluded the real estate brokerage company from paying any of the subject commissions as demanded.

Commission Express appealed the decisions to the Ohio Court of Appeals, Tenth Appellate District. The franchise argued that the Lambright transactions were not loans, but were purchases of accounts receivable that established a "factoring" relationship, and thus were not subject to the state's lending or real estate licensing laws.

The Court of Appeals affirmed the trial court decision. The appellate court first noted that "factoring", as applied to the Lambright transactions, involves the sale of accounts receivable at a discounted price to a "factor" who assumes the risk of loss in return for the discount. The court then applied existing case precedents establishing that the most critical element distinguishing a true factoring relationship from a loan are whether the alleged buyer of the accounts has assumed the "risk of loss". The court acknowledged the trial court's findings that, under the terms of the documents executed by Lambright, Commission Express retained full rights of recourse against her if it was not paid the commissions for any reason, even if she had nothing to do with the nonpayment. The appellate court noted, "Thus, if the real estate transaction ultimately fails to close, or, as here, Keller Williams refuses to pay [Commission Express], Ms. Lambright remains obligated on the account". In particular, the court notes a provision in the written agreement that required Lambright to "repurchase" the accounts in the event of a default, plus interest. The Court of Appeals ruled that, since Lambright retained virtually all of the risk of non-payment, the arrangement with Commission Express was inconsistent with a factoring agreement and supported the conclusion that the series of agreements were actually loans.

Commission Express also argued on appeal, as it had before the trial court, that prohibiting the Commission Express business model under the real estate license law (prohibiting brokers from paying commissions to the third-party creditors of affiliated licensees) conflicted with Ohio Uniform Commercial Code (UCC) statutes that generally prohibit restrictions against the assignability of accounts. [R.C. 1309.406] The Court of Appeals affirmed the trial court ruling that the statutes do not conflict, because the real estate license law does not prohibit an affiliated licensee from transferring rights in accounts receivable or prohibit a broker from sending the agent's commission to a third party, outside of a debtor-creditor relationship. Rather, it only prohibits a broker from paying an affiliated licensee's commission directly to the licensee's creditor. The appellate court also reasoned that, even if the statutes conflict and are irreconcilable, the license law provision is a more specific statute enacted later in time and, as such, prevails over the general UCC provision encouraging the free assignability of accounts.

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*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.*

## TIMELY LICENSE RENEWAL

### AVOID THE CONSEQUENCES AND COSTS OF LATE RENEWAL

Each month approximately 98% of renewals are completed online using ADRE's Online Licensing and Renewal System since it is fast, easy, and convenient! Real estate licensees who wait until the last minute to complete and/or enter their continuing education credits (CE) face the dilemma of being out of work due to the inability to timely renew.

#### Early Renewal Information

Real Estate, Cemetery and Membership Camping Salesperson and Broker licensees can apply to renew a license up to 90 days prior to the expiration date. The real estate licensee may apply to renew after completing and submitting the CE for the current two year license period. *Caution: Real estate licensees who renew early will not be able to carry over CE credits that are taken prior to the effective date of the next two year period.* [Scenario: If a license is due to expire on January 31, 2014, the licensee renews on January 3, 2014, any CE taken between January 3, 2014 and January 31, 2014 is only valid for the current renewal period ending January 31, 2014, and would be invalid for the next renewal period beginning February 1, 2014.] Of course, this restriction does not stop those zealous licensees who continually strive to expand their knowledge, etc.!

#### Email Renewal Notification

As a courtesy, ADRE sends three renewal reminders to the Designated Broker and the renewing licensee's email address of record 90, 60, and 30 days prior to the license expiration date, even though it is the responsibility of the real estate licensee to complete CE, and all licensees to renew on time. As a licensee, it is important to plan ahead to be mindful of the license expiration date, complete CE within the two year period, and to maintain a current email address with ADRE.

#### Common Misconceptions - Avoid The Consequence

Some real estate licensees believe they renewed simply by uploading their CE hours online without finalizing the process by paying the renewal fee. *Successful renewal is achieved by paying the renewal fee and completing the transaction.* As a licensee, it is important to retain a copy of your renewal payment receipt.

Licensees who renew online after midnight (MST) of the expiration date can renew, but renew late and are subject to a late fee. Those licensees that renew late who were actively licensed prior to expiration are automatically severed at the time of expiration - upon successful renewal, use the Online License System to request to hire (reactive) with employing broker to avoid conducting unlicensed activity. Remember, the Designated Broker must accept the "rehire" before the license is considered "active with a broker."

#### Below are some additional reasons that affect the licensee's eligibility to renew on time:

- ◆ Deficient CE
- ◆ Deficient legal presence status
- ◆ Exceeding the 9 hour maximum CE allowance per day
- ◆ Deficient documentation when disclosing a conviction, judgment or administrative action
- ◆ Lack of a valid Fingerprint Clearance Card when filing a criminal disclosure
- ◆ Online access restricted due to:
  - A pending matter with ADRE
  - Unsuccessful login attempts to the Online Licensing and Renewal System

#### Coming Soon...Notification of Expiration

In the near future, ADRE plans to send a courtesy email notice upon license expiration to the licensee, designated brokers and employing brokers, if applicable, as well as employees who are severed due to an employing broker's failure to timely renew a license.

#### Important Information & Resources

For more information and frequently asked questions on CE and renewal requirements visit the ADRE website at [www.azre.gov](http://www.azre.gov)

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## FILING OPTIONS FOR TIMELY RENEWAL

### When The Last Day Of A License Period Falls On A Weekend or Holiday

FILING OPTIONS	METHOD OF RENEWAL	TIMELY DEADLINE (MST)
ONLINE	Renewal completed and paid for through the Online Licensing and Renewal System	Before 12 <i>midnight</i> of the expiration or terminated date
MAILED*	Renewal mailed by paper renewal form along with the fee (broker signature needed if active)	Envelope postmarked by the last day of the month and year in which it is due
MESSAGE CENTER* (Web-based Messaging System)	Complete renewal submitted by paper renewal form (broker signature needed if active) as attachment to message	Received by the ADRE and paid for on the first business day by 5:00 p.m. (following the weekend or holiday)
EMAILED*	Complete renewal submitted by paper renewal form (broker signature needed if active) as attachment to message	Received by the ADRE and paid for on the first business day by 5:00 p.m. (following the weekend or holiday)
FAXED*	Complete renewal submitted by paper renewal form (broker signature needed if active)	Received by the ADRE and paid for on the first business day by 5:00 p.m. (following the weekend or holiday)
IN PERSON*	Complete renewal submitted by paper renewal form (broker signature needed if active)	Received by the ADRE and paid for on the first business day by 5:00 p.m. (following the weekend or holiday)

\* Renewals that are filed through any of the above FILING OPTIONS, except for a timely ONLINE renewal, are subject to **higher renewal fees** - See current Fee Schedule at [www.azre.gov](http://www.azre.gov) as fees may vary depending on the timing and filing option for renewal.

### CALENDAR YEAR 2014

HOLIDAY	DATE OBSERVED
New Year's Day	Wednesday, January 1
Martin Luther King, Jr./Civil Rights Day	Monday, January 20
Lincoln/Washington/Presidents' Day	Monday, February 17
Memorial Day	Monday, May 26
Independence Day	Friday, July 4
Labor Day	Monday, September 1
Columbus Day	Monday, October 13
Veterans' Day	Tuesday, November 11
Thanksgiving Day	Thursday, November 27
Christmas Day	Thursday, December 25

**Ohio Court** Continue from page 3

Thus, the Ohio Court of Appeals affirmed the trial court order relieving the brokerage from any duty to pay the disputed commissions, and invalidating the agreements with Lambright under the Ohio lender licensing laws. 🏠

*[Fenway Fin., LLC v. Greater Columbus Realty, LLC, 2013-Ohio-3623, 2013 Ohio App. LEXIS 3750 (Ohio Ct. App., Franklin County Aug. 22, 2013)]*

*[While this case was pending, the Ohio General Assembly amended the state's real estate licensing laws, which now prohibit salespersons from selling, assigning or transferring their interest in a commission to an unlicensed person or entity; preclude brokers from paying commissions to any such transferee or assignee; and bar lawsuits against brokers for not paying an assignee or transferee of a commission (R.C. 4735.21, effective September 29, 2011). On October 7<sup>th</sup>, 2013 Commission Express petitioned the Ohio Supreme Court for review of the above decision.-Ed.]*

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## A GREAT RELATIONSHIP... ARIZONA DEPARTMENT OF REAL ESTATE AND PEARSON VUE

Pearson Vue was awarded the contract with the Arizona Department of Real Estate in April 2010 to provide:

- ◆ Testing Services
- ◆ Develop, pre-test and validate multiple choice examinations
- ◆ Immediate onsite scoring
- ◆ Reporting
- ◆ Candidate fee collection

The testing processes developed for the program are a result of the cooperative relationship between the State and Pearson Vue. Those licensed to practice demonstrate a minimum level of competency in the real estate field.

<b>2013 Pearson Vue Survey Results</b>	
<b>CANDIDATE REPNSES</b>	<b>%</b>
The exam reservation process was easy to use	97%
The test center was easy to locate	97%
The testing environment was clean, quiet, and comfortable	99%
The test center staff was helpful and knowledgeable	99%
The testing system was easy to use	99%
The testing center Registration/check-in process was handled in an efficent manner	99%
The testing system worked well	98%
Overall, I was satisfied with my testing experience	99%
I was able to schedule an acceptable test date and test center location	95%

<b>Average Passing Percentages for "First Time Exam Takers"</b>			
<b>EXAM TYPE</b>	<b>Oct-2013</b>	<b>Nov-2013</b>	<b>Dec-2013</b>
REAL ESTATE BROKER	73%	61%	62%
REAL ESTATE SALESPERSON	69%	64%	70%
CEMETERY BROKER	N/A	N/A	N/A
CEMETERY SALESPERSON	100%	86%	100%
MEMBERSHIP CAMPING BROKER	N/A	N/A	N/A
MEMBERSHIP CAMPING SALESPERSON	100%	N/A	N/A
<b>Total Number of Licensees (Individual and Entity) as of January 10, 2014</b>			
80,613			
<b>Active Continuing Education (CE) Courses as of January 10, 2014</b>			
Live CE (Approximately)	2303		
Distance Learning CE (Approximately)	287		
<b>ADRE Licensee Online CE Course Submissions October 25, 2013 through January 9, 2014</b>			
Total courses entered	31245		
Distance Learning	17449		
Percentages Distance Learning	56		



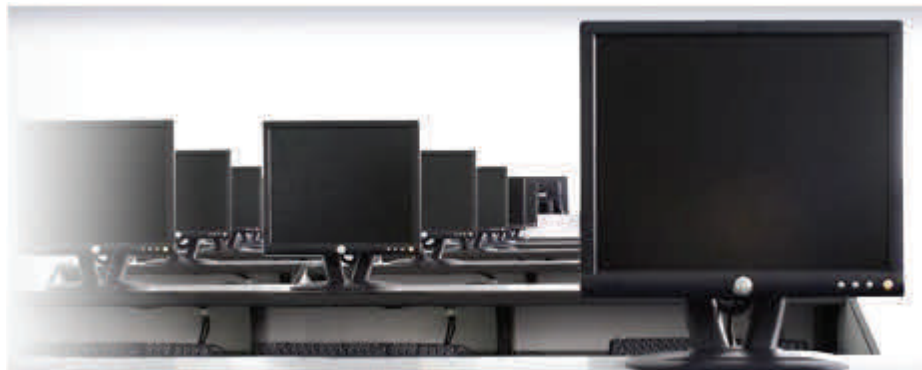
### Attention Prelicensure Schools and Exam Candidates!

ADRE's examination vendor, Pearson VUE, will soon announce a revision to the National Exam Content Outlines For Real Estate Salespersons and Brokers. This change separated the current National Exam Content Outlines into two new outlines, salesperson and broker. As a result, Pearson VUE plans to **publish new National exam questions on April 1, 2014** for each exam.

Periodically Pearson VUE facilitates test development meetings to update the National portion of the real estate licensing exams. A recent test development was conducted through a Job Analysis utilizing industry professional subject matter experts (SMEs) and regulators from across the country to assess the knowledge required and tasks performed by salesperson and broker professionals. Below are the highlights of the two revised outlines that were generated with minor revisions as follows:

- ◆ Real Estate Broker National Exam Content Outline Updates:
  - The new broker outline still contains eight content areas. Content areas II. and V. had multiple topics reorganized and refined.
  - Content area VIII.B. was added to address new topics related to supervision and management.
- ◆ Real Estate Salesperson National Exam Content Outline Updates:
  - The new sales outline has 10 content areas.
  - One brand new content area was added – V. Risk Management.
  - Content area VI. (formally V.) had multiple topics reorganized and renamed.
  - Content area X. was broken out from section VIII. of the current outline

Pearson VUE is in the process of sending the new outlines to ADRE and pre-licensing schools, posting the outlines on the Pearson VUE web site accordingly and in the electronic candidate handbook. A notice will be included with all existing hard copy candidate handbooks.



## FEDERAL STUDY: FORECLOSURE RESCUE SCAMS ARE RISING, MORE COMPLEX AND INCREASINGLY INVOLVE ATTORNEYS

A recent U.S. General Accounting Office (GAO) report indicates that the U.S. foreclosure rescue scams remain at historically high levels and have become more complex. Also, the report notes that the increasing involvement of attorneys in the schemes pose additional challenges to law enforcement authorities who are combatting the problem.

The GAO report, *Financial Crime: Foreclosure Rescue Schemes Have Become More Complex, and Efforts To Combat Them Continue*, notes that from September 2008 through May 2013, about 4.4 million U.S. homes were lost to foreclosure. Although at-risk mortgage figures have been declining since 2009, there are still approximately 1.6 million homes facing foreclosure. As a result, significant opportunities remain for perpetrators of fraudulent foreclosure scams aimed at struggling homeowners. And, despite the free, legitimate foreclosure avoidance programs that are available through deferral and private financial institutions, homeowners continue to fall victim to the schemes. In fact, the GAO predicts that report of foreclosure rescue schemes will continue to rise.

A similarly-focused 2010 GAO report identified two primary types of foreclosure rescue schemes advance fees schemes promising loan modifications that homeowners never receive and sale-leaseback schemes involving transfer of ownership of the home to a third party. However, the latest report indicates that other types of more complex scams have become common:

**Forensic Audit Schemes:** The scammer offers to review a homeowner's mortgage loan documents to determine whether the lender has complied with state and federal mortgage lending laws. The audit will purportedly help consumers to negotiate a loan modification with reduced interest rates and monthly mortgage payments. However, consumers often do not receive modifications and discover too late that foreclosure proceedings have begun.

**Bankruptcy-Related Schemes:** Scammers promise to negotiate a loan modification with the lender for a fee. Instead, they file a bankruptcy case in the homeowner's name, sometimes without the homeowner's knowledge. Since the bankruptcy filing temporarily halts all debt collections efforts, including foreclosure proceedings, the homeowner believes that foreclosure has been avoided. In some cases, homeowners continue to pay regular fees to the scammer, believing that the scammer is still helping. Of course, the promised assistance is illusory.

**Mass Joinder Lawsuits:** Scammers promise multiple homeowners that lenders can be forced to modify mortgage loans through multi-party lawsuits. The GAO report notes that attorneys involved in legitimate "mass joinder" lawsuits are typically paid only if the lawsuit is successful. In fraudulent mass joinder schemes, homeowners pay substantial upfront fees to participate in the suite, which is either never filed or is abandoned with no benefit to the homeowners. In one scheme prosecuted by the Federal Trade Commission, the scammers were posing as a law firm and only briefly engaged actual attorneys to file the initial court documents.

**Short Sales Schemes:** Perpetrators sometimes called "short sale negotiators" or "short sale processors", promise to expedite, or even guarantee, a successful short sale. The "short sale negotiator" takes an advance fee and does little to nothing in return.

**Scams Involving Attorneys:** In particular, the GAO report notes that foreclosure rescue schemes involving attorneys have increased in recent years. In part, the increase may be associated with the attorney exemption contained in the federal "Mortgage Assistance Relief Services (MARS)" rules that apply to a broad range of foreclosure avoidance service providers. The MARS rules prohibit advance fees and specific types of false or misleading claims, and mandate various consumer disclosures and recordkeeping requirements.

However, the rules generally exempt licensed attorneys who provide foreclosure relief services to their clients. Similar state laws have been enacted in many U.S. jurisdictions, most of which also contain an attorney exemption.

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*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.*



## COMMINGLING VS. CONVERSION & CONVEYANCE OF CONTRACT DOCUMENTS

### What is the difference between “Commingling” and “Conversion” of funds?

*The Arizona Revised Statute, A.R.S. § 32-2153.A.16, authorizes the Commissioner to take disciplinary action against a licensee if the licensee “commingled the money or other property of the licensee’s principal or client with the licensee’s own or converted that money or property to the licensee or another.”*

In the simplest of terms, the difference between commingling and conversion of funds is as follows:

Scenario: A licensee receives \$1,000 in cash from a client as a deposit in a real estate transaction:

- ◆ Commingling: The licensee deposits the \$1,000 in his/her personal bank account and writes a personal check for \$1,000 to deposit into escrow as the client’s earnest money.
- ◆ Conversion: The licensee deposits the \$1,000 in his/her personal bank account and uses the money to pay his/her personal mortgage payment.

In commingling, the licensee mixes or combines his/her client’s money with his/her own but does not change the intended purpose of the funds.

In conversion, the licensee diverts the client’s money to the licensee’s own use thereby altering the intended purpose of the money received from the client. Conversion could be considered “embezzlement”.

### Is a Property Manager required to provide the landlord with a copy of a signed lease upon execution?

*Commissioner’s Rule R4-28-802.A states, “Upon execution of any transaction document a salesperson or broker shall, as soon as practical, deliver a legible copy of the signed document and final agreement to each party signing the document.”*

In the case of a sales transaction, the buyer and seller sign the contract documents. The buyer, seller and their respective brokers each receive a copy of the executed agreement.

A property management company enters into a lease agreement on behalf of their client, the landlord (property owner). Although the licensee signs the lease agreement as the landlord’s representative, the landlord should receive a copy of the executed lease as a matter of course. The landlord has a right to know the identity of the person(s) occupying his property.

### If the seller has accepted an offer, is the licensee required to present any subsequent offers received?

Yes, even though a seller has accepted an offer, the licensee is required to present any and all offers received up to the close of escrow. The licensee is discharged from this responsibility only upon receipt of written instructions from the seller to cease presenting offers.

*Commissioner’s Rule R4-28-802.B states in part, “During the term of a listing agreement, a salesperson or broker shall promptly submit to the salesperson’s or broker’s client all offers to purchase or lease the listed property. ... The salesperson or broker shall submit to the client all offers made prior to closing and is not released from this duty by the client’s acceptance of an offer unless the client instructs the salesperson or broker in writing to cease submitting offers or unless otherwise provided in the listing agreement, lease, or purchase contract. .... “*

## THE 51<sup>st</sup> LEGISLATURE IS BACK IN SESSION



The time of year is upon us once again where the government affairs community, industry officials, and the public become a little more focused on the activities of our state legislators in Arizona. The 51<sup>st</sup> Legislature, 2<sup>nd</sup> Regular Session kicked off on Monday, January 13<sup>th</sup> and will continue their work for roughly 100 days. During this time legislators will introduce a variety of issues at the Capitol that represent issues in their districts or constituent needs. The Arizona Department of Real Estate (“ADRE”) stays engaged and mindful of legislation throughout the session that could affect the public, real estate industry, the ADRE, and the state.

Thus far, over 1,000 bills have been introduced between the House of Representatives and the Senate. Not all introduced legislation will become law, but it is important to follow and understand these issues as they are heard in respective committees to have an opportunity to provide input to stakeholders and the sponsor of the bill. Among the bills introduced and issues discussed that could be relevant to real estate licensees are:

- ◆ **HB2181 real estate advisory board; membership.** This bill would increase the number of residential real estate brokers from two to three members by adding one member who has been engaged in multifamily residential real estate brokerage for five years preceding appointment. The bill, as introduced, would decrease the number of members of the public from three to two. Stakeholders have discussed amending the bill to simply add a multifamily residential broker to the Advisory Board which would increase the total members to ten.
- ◆ **Definitions of Property Management and Property Manager.** Stakeholder groups and interested parties have collaborated over the past several months on proposed definitions that would add clarity to these critical job functions.

In addition to tracking legislation throughout session, the ADRE also follows the budget process. As the ADRE has referenced in bulletins past, we provide a budget request for the upcoming fiscal year to the Governor’s Office of Strategic Planning and Budgeting (“OSPB”) to be considered with other state priorities and state agencies. The ADRE budget request of \$3.5M submitted in September 2013 was reduced to a \$3.1M recommendation. The proposed budget would allow the ADRE the ability to obtain 2 full time employees (“FTE”) to support critical department functions. This modest increase in appropriation would enable the Department to increase its level of service to the public and industry.

The ADRE request to become a self-funded 90/10 budget model agency was not included in our original budget request based on resistance from the real estate industry. The Governor’s FY2015 Executive Budget has now been forwarded to the Joint Legislative Budget Committee and the Legislature. If you would like to view the Executive Budget please [click here](#) (Page 333). The ADRE is supportive of the Governor’s Budget Recommendations and is appreciative of the consideration received for addressing two critical areas that would support the public and all real estate licensees.

Moving forward, the ADRE looks forward to working with industry stakeholders and listening to public concerns on any real estate related legislation. Information about the 2014 session and the legislature can be found at [www.azleg.gov](http://www.azleg.gov).

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### Federal Study Continue from page 7

According to the GAO, attorney involvement in foreclosure rescue schemes poses particular law enforcement challenges because it can be difficult to determine whether legitimate legal services are being provided. For example, the MARS rules prohibit foreclosure relief providers from instructing consumers not to contact their lenders; a typical marker of a potential foreclosure rescue fraud. However, that advice may be expected and seem legitimate to clients who retain attorneys to deal directly with lenders and servicers. Also, up-front fees or “retainer”, another indicator of foreclosure rescue scams, are routine in the legal industry. Attorneys also can cite the “attorney-client privileges” as a means of avoiding subpoenas and hindering investigations. Finally, the problem is complicated by the fact that state attorney discipline entities possess limited enforcement authorities and often cannot cooperate with law enforcement officials due to the confidentiality of attorney discipline investigations.



The GAO’s periodic foreclosure fraud report is mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act. In addition to fraud data, the report also tracks the efforts of law enforcement efforts to stop the problem, as well as the state/federal coordination and outreach efforts of entities such as the federal Financial Fraud Enforcement Task Force ([www.stopfraud.gov](http://www.stopfraud.gov)).

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## BREAZ PROJECT UNDERWAY

# BREAZ

BUSINESS RE-ENGINEERING ARIZONA

ADRE is excited to report that the BREAZ project is underway and making progress. What is BREAZ??

BREAZ stands for Business Re-Engineering AriZona. BREAZ is a statewide initiative to transform Arizona's business processes and replace the State's current accounting system (AFIS) and a number of agency financial systems. The

project will modernize the State's central accounting system and set the course for how the State will do business for the next 20-30 years.

The State has contracted with CGI as the system implementation provider and the integrator. CGI's built-for-government accounting system is a web-based solution called Advantage. Arizona Advantage will replace our current statewide accounting system, AFIS, as well as several agency systems and will interface with ProcureAZ, HRIS, and other systems.

The Arizona Advantage system is scheduled to "go live" or start operating on July 1, 2015. Training will be a large component for all affected employees, which is primarily employees with an accounting function.

As the State and ADRE move through this transition, each Agency has a designated liaison with the BREAZ project, referred to as an Agency Coordinator (AC). Chief of Staff, Sarah Dobbins is acting as the AC for ADRE. Business Manager, Robyne Clark, who performs many key accounting functions for ADRE is heavily involved, playing a hands-on roll in this important transition.

## HOMEOWNERS ASSOCIATION DISPUTES

DEPARTMENT OF  
FIRE, BUILDING



AND  
LIFE SAFETY

Each month the Department of Real Estate ("ADRE") receives many inquiries by phone and through the Message Center seeking help and guidance on HOA issues. The ADRE does not have jurisdiction to resolve HOA complaints or disputes. The Arizona Department of Building, Fire, and Life Safety ("DFBLS") has available on their website, [www.dfbls.az.gov](http://www.dfbls.az.gov), a resource titled, *Homeowner Association Dispute Process*. Pursuant to A.R.S. § 41-2198.01(B) a homeowner, condominium association or a planned community may petition the DFBLS for a hearing to resolve an HOA dispute. These administrative procedures provide an alternative to the civil court system and do not limit the legal rights of the parties to pursue further matters. The fees for filing a petition are available on the DFBLS website along with the process for filing a complaint.

The DFBLS is not responsible for conducting investigations or regulating HOAs. The DFBLS may be reached at:

1110 W. Washington Street, Suite 100  
Phoenix, Arizona 85007  
(602) 364-1003 Phone  
(602) 364-1052 Fax

# HONOR AUDIT ROLL

(BROKER IN SUBSTANTIVE COMPLIANCE) OCTOBER 2013—DECEMBER 2013

## What is the Honor Roll All About?

The Honor Roll is a recognition of Brokers who experienced an audit during the quarter leading up to the bulletin and were found in substantial compliance. This first ran in ADRE's May 2013 Bulletin and then again in the August 2013 Bulletin. This is not the first time Electronic Audits have been conducted. They were first used in May 2010. When a company is listed on the Honor Roll, it means they have been found in substantial compliance during an audit. ADRE encourages all licensees to make sure they are up-to-date on their education and regularly visit the ADRE website for information.

<b>Almaguer, San Juanita</b> , BR107199000 <i>Absolute Realty, LLC</i>
<b>Anderson, Philip T.</b> , BR011140000 <i>ARC Anderson Realty</i>
<b>Baca-Carper, Brenda</b> , BR509178000 <i>Arizona Housing Solutions, LLC</i>
<b>Bancroft, R. Glenn</b> , BR006006000 <i>Bancroft &amp; Associates</i>
<b>Banovac, Charles R.</b> , BR036359000 <i>RMB Realty, LLC</i>
<b>Bechtel, Alison A.</b> , BR521148000 <i>Keller Williams Legacy One Realty</i>
<b>Beller, Frank A.</b> , BR018932000 <i>BPMG Real Estate Sales &amp; Management</i>
<b>Benavidez, Marcia K.</b> , BR039527000 <i>Power Property, Inc.</i>
<b>Bertola, Estelle R.</b> , BR006952000 <i>Arizona Homes Plus</i>
<b>Beydler, Jon M.</b> , BR543141000 <i>Valley of the Sun Real Estate</i>
<b>Birsner, John W.</b> , BR028708000 <i>Ventana Fine Properties</i>
<b>Boxrud, Kurt J.</b> , BR005316000 <i>Apartment Hunters</i>
<b>Brown, Ryan M.</b> , BR545800000 <i>RMB Properties, LLC</i>
<b>Campbell, Chris F.</b> , BR533398000 <i>Roopho Realty, LLC</i>
<b>Chirco, Josephine S.</b> , BR006757000 <i>Chirco Realty Co., Inc.</i>
<b>Cobb, Keith W.</b> , BR560960000 <i>Cobb Realty, LLC</i>
<b>Cole, Dana P.</b> , BR030288000 <i>The Hallmark Group</i>
<b>Danhoff, Gregory J.</b> , BR514557000 <i>Morado Canyon Realty</i>
<b>DeSollar, Thomas J.</b> , BR006367000 <i>Arizona First Properties, LLC</i>

<b>Diaz, Jose O.</b> , BR569970000 <i>SOS Realty</i>
<b>Farmer, Daisy L.</b> , BR037164000 <i>Copper Crown Realty</i>
<b>Fotheringham, Barry</b> , BR005092000 <i>Ability Realty</i>
<b>Frye, Donna L.</b> , BR026446000 <i>Christian Real Estate</i>
<b>Gephart, Bradley N.</b> , BR006485000 <i>Advanced Capital Realty, Inc.</i>
<b>Gonzalez, Adolfo</b> , BR544059000 <i>Lease-N-Buy With Ease</i>
<b>House, Ryan E.</b> , BR508186000 <i>Bevco Properties, LLC</i>
<b>Iannelli, William L.</b> , BR009136000 <i>Iannelli and Associates</i>
<b>Jackson, Beth Ann</b> , BR535680000 <i>Arizona Living Property Management, Inc.</i>
<b>Khoury, Sarah</b> , BR626304000 <i>American Homes 4 Rent</i>
<b>Kruchten, Anna</b> , BR030809000 <i>Phoenix Property Shoppe</i>
<b>Lamont, James R.</b> , BR523558000 <i>Sedona Sun Properties, LLC</i>
<b>Landry, John T.</b> , BR564600000 <i>Urban Resolve</i>
<b>Lesser, Daniel</b> , BR034392000 <i>DCL Realty &amp; Management, LLC</i>
<b>Maloney, James</b> , BR577310000 <i>Genesis Real Estate &amp; Development, Inc.</i>
<b>Mantovani, Vanessa L.</b> , BR572853000 <i>Mantovani Properties</i>
<b>Millington, Denise</b> , BR508851000 <i>Graceton Real Estate and Property Management, LLC</i>
<b>Ozment, Louise</b> , BR566239000 <i>Palo Verde Realty</i>
<b>Parris, Mark T.</b> , BR515244000 <i>RE/MAX Renaissance Realty</i>

# HONOR AUDIT ROLL

(BROKER IN SUBSTANTIVE COMPLIANCE) OCTOBER 2013—DECEMBER 2013

<b>Preston, Melissa Dee, BR563691000</b> <i>AZ Sol Investments</i>
<b>Reiss, Kenneth M., BR006083000</b> <i>United Metro Properties, Inc.</i>
<b>Rich, Danielle, BR525881000</b> <i>Tucson's Choice Property Management &amp; Real Estate Group, LLC</i>
<b>Riley, Debra Ann, BR116898000</b> <i>Beaver Creek Realty</i>
<b>Rojas, April Lyn, BR112429000</b> <i>Hometown Advantage Real Estate</i>
<b>Schwartz, Krista, BR505679000</b> <i>NHSP Realty</i>
<b>Starr, April, BR023001000</b> <i>All Starr Property</i>
<b>Tavison, Jodie L., BR526464000</b> <i>Tiempo, Inc.</i>
<b>Tellef, Lisa, BR110629000</b> <i>Molly Bridgeman Realty, Inc.</i>
<b>Wood, A Renee, BR508186000</b> <i>Werth Realty</i>



## DISCIPLINARY ACTIONS (10-1-2013 to 12-31-2013)

### 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
<b>Dawn Audra Anderson</b> <i>BR541047000</i>	Maricopa Properties LLC	Maricopa	Audit violations; shortage in property management trust account.	Revocation of License (Default) \$12,000.00 CP J&S
<b>Arizona Investors Alliance LLC</b> <i>Unlicensed Entity</i>		Phoenix	Conducting unlicensed real estate activities.	Cease and Desist
<b>Monica Averitte</b> <i>BR539251000</i>	Real Property Management Titanium	Scottsdale	Failed to properly disclose all items in Property Management Agreements.	\$2,000.00 CP, 9 hr CE in Commissioner Standards
<b>Carl Benson</b> <i>BR537864000</i>	Desert Wind Property Management & Real Estate	Gilbert	Failed to timely disclose a July 2013 misdemeanor conviction.	\$400.00 CP
<b>Karon Marie Black</b> <i>SA506267000</i>	ZipRealty	Gilbert	September 2012 felony conviction for Theft.	Revocation of License (Default)
<b>Adam C Black</b> <i>BR539911000</i>	Self Employed	Gilbert	Multiple issues involving Property Management activities, failed to comply with Department requests (subpoena) for documentation and information.	Cease and Desist property management activities.
<b>Michael Troy Blau</b> <i>SA100257000</i>	West USA Realty	Phoenix	Failed to timely disclose an October 2007 and May 2011 misdemeanor convictions.	\$1,500.00 CP
<b>William R Brandt</b> <i>BR519531000</i>	AZ Paradise Realty	Phoenix	Failed to properly supervise licensee who conducted property management activities through an unlicensed entity.	\$2,000.00 CP, 6 hr CE in Commissioner Standards
<b>Thomas Caldwell</b> <i>BR513659000</i>	Brewer-Caldwell Property	Tucson	Failed to properly supervise, resulting in unlicensed activity by employee.	\$400.00 CP
<b>Lonnie Campbell</b> <i>SA638215000</i>	Tierra Antigua Realty LLC	Tucson	Failed to timely disclose a July 2013 misdemeanor conviction.	\$400.00 CP
<b>George Chase</b> <i>SA581319000</i>	Inactive	Surprise	Failed to timely disclose a January 2013 misdemeanor conviction.	\$750.00 CP
<b>Michael C Denney</b> <i>BR011547000</i>	Self Employed	Phoenix	Failed to timely disclose a March 2012 adverse action.	\$750.00 CP

## DISCIPLINARY ACTIONS (10-1-2013 to 12-31-2013)

Name	Brokerage at time of violation	Location	Summary	Order
<b>Toni M DiMaggio</b> <i>BR520430000</i>	Principal Realty Group LLC	Phoenix	Failed to comply with terms of previous Commissioner's Final Order.	Revocation of License
<b>Gilbert M Dominguez</b> <i>BR034533000</i>	Equity Realty Group LLC	Tolleson	Failed to timely disclose a September 2013 misdemeanor conviction.	\$400.00 CP
<b>Virginia Fass</b> <i>SA623658000</i>	Equity Partners Realty	Tucson	Failed to timely disclose a September 2010 misdemeanor conviction.	\$750.00 CP
<b>W Scott Fruit</b> <i>SA511939000</i>	Inactive	Tucson	February 2013 conviction for Conspiracy to Commit Bank Fraud and Conspiracy to Commit Transactional Money Laundering	Revocation of License (Default)
<b>Kurt D Gehlbach</b> <i>SA508801000</i>	Russ Lyon Sotheby's International Realty	Sedona	Failed to timely disclose a May 2013 misdemeanor conviction.	\$750.00 CP
<b>Jeff George</b> <i>Unlicensed Applicant</i>		Surprise	November 2006 adverse action by the Arizona Department of Financial Institutions. License application denied.	License granted, 2 yr PL/PM
<b>Lisa Jane Glynn</b> <i>SA106407000</i>	David Weekley Homes	Tempe	Failed to timely disclose a September 2013 misdemeanor conviction.	\$400.00 CP
<b>G&amp;G Realty</b> <i>LC627867000</i>		Tucson	Audit violations; trust account shortage. Failure to respond to Department requests for information and documentation. Failure to supervise.	Revocation of License (Default) \$10,000.00 CP J&S
<b>Gregory Goldshteyn</b> <i>BR555922000</i>		Tucson	Audit violations; trust account shortage. Failure to respond to Department requests for information and documentation. Failure to supervise.	Revocation of License (Default) \$10,000.00 CP J&S
<b>Richard Gramlich</b> <i>SA033576000</i>	Western Land Investments Inc	Phoenix	Failed to timely disclose October 2009 and October 2012 misdemeanor convictions. License renewal denied.	\$1,000.00 CP, license renewal granted
<b>Barbara Gresser</b> <i>SA544291000</i>	NRT Arizona LLC	Scottsdale	Failed to timely disclose a February 2013 misdemeanor conviction.	\$750.00 CP

## DISCIPLINARY ACTIONS (10-1-2013 to 12-31-2013)

Name	Brokerage at time of violation	Location	Summary	Order
<b>Philip L Hallman</b> <i>BR626666000</i>	Self Employed	Paradise Valley	Failed to notify ADRE of an action taken by the Utah Real Estate Commission.	Revocation of License
<b>Robert D Hayes</b> <i>SA642662000</i>	Inactive	Chandler	Violation of February 2011 Consent Judgment with the Arizona Attorney General Office, license denied.	Denial of license affirmed
<b>Julio Hidalgo</b> Unlicensed Applicant		Mesa	License previously revoked by ADRE in 2002 for felony conviction (Filing False Documents with HUD), license application denied.	License granted, 2 yr PL/PM, \$10,000 Surety Bond
<b>Richard A Hodges</b> <i>SA082780000</i>	Brian Amada Realty	Phoenix	Failed to timely disclose May 2013 and September 2013 misdemeanor convictions.	\$1,000.00 CP
<b>Sandra Diane Jackson</b> <i>SA635625000</i>	Foothills Properties Mgmt & Realty	Tucson	February 2013 felony conviction for Conspiracy to Commit Wire Fraud.	Revocation of License (Default)
<b>Gregory R Janis</b> <i>SA046883000</i>	Just Listed For Sale	Phoenix	Failed to timely disclose a May 2011 misdemeanor conviction.	\$750.00 CP
<b>Christopher Steven Johnson</b> <i>SA644538000</i>	Inactive	Out of State	Failed to comply with terms of previous Consent Order (13F-DI-079).	Revocation of License, \$1,000.00 CP
<b>Joni Keller</b> <i>SA541651000</i>	Sunbelt Realty & Business Advisors LLC	Scottsdale	Conducted real estate activity for 3+ months while license was Inactive. License renewal denied.	\$750.00 CP, license renewal granted
<b>David R Klink</b> <i>SA544333000</i>	Complete Realty Advisors LLC	Phoenix	Failed to timely disclose a June 2013 misdemeanor conviction.	\$400.00 CP
<b>Brittany Koprivica</b> <i>SA581801000</i>	Hyland Bay	Mesa	Failed to timely disclose a June 2010 misdemeanor conviction.	Revocation of License (Default)
<b>Andrea Linde</b> <i>SA556717000</i>	Arizona Premier Realty Homes & Land	Avondale	Failed to promptly place client monies in care of broker, commingled client funds with personal funds.	\$2,000.00 CP, 30 day license suspension, 2 yr PL/PM, 6 hr CE in Commissioner Standards
<b>Mark A Little</b> <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.	\$15,000.00 CP
<b>Joe Lok</b> <i>SA534849000</i>	DPR Realty LLC	Mesa	Conducted property management activity outside of broker, received compensation directly from clients and without knowledge of employing broker	\$2,500.00 CP, 60 day license suspension, 2 yr PL/PM, 6 hr CE in Commissioner Standards



## DISCIPLINARY ACTIONS (10-1-2013 to 12-31-2013)

Name	Brokerage at time of violation	Location	Summary	Order
<b>Mark Longhi Jr</b> <i>SA643889000</i>	Meritage Homes of Arizona Inc	Scottsdale	Failed to timely disclose a July 2013 misdemeanor conviction.	\$400.00 CP
<b>Maricopa Properties LLC</b> <i>LC576315000</i>		Maricopa	Audit violations; shortage in property management trust account.	Revocation of License (Default) \$12,000.00 CP J&S
<b>Keith L McClure</b> <i>SA045755000</i>	Realty One Group Inc	Glendale	Failed to timely disclose a April 2013 misdemeanor conviction.	\$400.00 CP
<b>Nathan C McGowan</b> <i>SA546964000</i>	Inactive	Tempe	Failed to timely disclose a October 2011 misdemeanor conviction.	\$250.00 CP
<b>Ashley Moore</b> <i>SA645405000</i>	FF Properties LP	Phoenix	Failed to timely disclose a January 2013 misdemeanor conviction.	\$750.00 CP
<b>Thomas Morrier</b> <i>SA643132000</i>	Inactive	Peoria	Conducted real estate activities through an unlicensed entity.	\$4,000.00 CP, 30 day license suspension, 2 yr PL/PM, 6 hr CE in Commissioner Standards.
<b>Marcus A Neal</b> <i>Unlicensed Individual</i>		Higley	Conducting unlicensed property management activities.	Cease and Desist
<b>NNE Properties LLC</b> <i>Unlicensed Entity</i>		Higley	Conducting unlicensed property management activities.	Cease and Desist
<b>Tadd E Olson</b> <i>SA568720000</i>	DPR Commercial	Scottsdale	Failed to timely disclose a March 2012 misdemeanor conviction.	\$750.00 CP
<b>Jackie Peterson</b> <i>SA551645000</i>	Inactive	Lakeside	Failed to timely disclose an October 2010 misdemeanor conviction.	\$750.00 CP
<b>John Francis Ray</b> <i>Unlicensed Individual</i>		Phoenix	Conducting unlicensed real estate activities.	Cease and Desist
<b>Laura J Schwebel</b> <i>SA518684000</i>	Sam W Abraham Realty	Kingman	Failed to timely disclose a July 2013 misdemeanor conviction.	\$750.00 CP
<b>Christopher Smith</b> <i>BR101083000</i>	Sunbelt Realty & Business Advisors LLC	Scottsdale	Failed to properly supervise, resulting in unlicensed activity by employee.	\$400.00 CP

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

Name	Brokerage at time of violation	Location	Summary	Order
<b>Danna Smith</b> <i>Unlicensed Applicant</i>	N/A	Mesa	September 2010 adverse action by the Arizona Board of Appraisal. License application denied.	License granted, 2 yr PL/PM
<b>Quentin Xavier Thornton</b> <i>BR108701000</i>	Landsmith Real Estate	Phoenix	Failed to timely disclose a December 2012 misdemeanor conviction.	\$750.00 CP
<b>Timothy B Unroe</b> <i>SA540249000</i>	REO Brokers	Gilbert	Failed to advise a client about HOA violations and failed to properly disclose license status in writing.	\$2,000.00 CP, 6 hr CE in Commissioner Standards.
<b>Robert J Ward</b> <i>SA568530000</i>	Ashton Woods Homes	Scottsdale	Failed to timely disclose an April 2012 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted
<b>Timothy Wayne Westbrook</b> <i>BR586573000</i>	Westbrook Vacation Rentals	Phoenix	Audit violations; shortage in property management trust account.	Cease and Desist affirmed, Revocation of License, \$7,000.00 CP
<b>Westbrook Development Partners LLC</b> <i>LC640762000</i>	Westbrook Vacation Rentals	Phoenix	Audit violations; shortage in property management trust account.	Cease and Desist affirmed, Revocation of License, \$3,000.00 CP
<b>Brian Weymouth</b> <i>SA027099000</i>	Inactive	Paradise Valley	Failed to timely disclose a June 2012 and August 2013 misdemeanor convictions.	\$1,000.00 CP
<b>Frederic Eric Williamson</b> <i>SA579896000</i>	HomeSmart	Phoenix	May 2013 felony conviction for Aggravated Assault.	Revocation of License (Default)
<b>Heather Zelaya</b> <i>SA586299000</i>	Keller Williams Arizona Realty	Phoenix	Failed to timely disclose a February 2011 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted

## LICENSE SURRENDER REPORT (10-1-2013 to 12-31-2013)

### 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
KOPRIVICA	KATHERINE	SA581804000	14F-DI-052	10/1/2013

## A CHRISTMAS STORY...

Each December, the ADRE TEAM gets together for a Holiday Potluck Luncheon Celebration to recognize and reflect upon the Department's challenges and triumphs over the past year. Often, there is an exchange of gifts among the staff. December 2013, however, presented an opportunity to demonstrate what T.E.A.M. (Together Everyone Achieves More) really means and how the TEAM chose to open their hearts and wallets to give something incredible to a family in need—a very Merry Christmas. While it was easy for the TEAM to agree that they wanted to adopt a family for Christmas, selecting an organization with whom to support proved a little more challenging. The staggering number of worthy charitable organizations with holiday programs presented the unexpected quandary of choosing one over another and how to justify the selection.

One of the TEAM members suggested Homeward Bound, a transitional housing program for homeless and domestic violence families with children in metropolitan Phoenix. According to their website, Homeward Bound is the most recognized provider of transitional housing in Arizona. Their mission "is to assist families achieve economic independence, secure long-term, safe, decent, affordable housing and break multi-generational cycles of homelessness and domestic violence." From 1992-1999, the agency developed an inventory of 97 single family housing units scattered through Maricopa County. These housing units effectively served single mothers, single dads, grandparents, and married couples with children. In 2000, the agency opened the Thunderbirds Family Village, which consists of 80 two bedroom, one bath apartments. Currently, they own and operate 155 housing units. The agency has programs in place that assist participants along a path toward responsible home ownership.



The TEAM contacted Homeward Bound to sponsor a family. The organization was delighted to designate Family #1052 to ADRE. Family #1052 is comprised of single mother Christine and her two daughters, ages 16 and 4. This family found their way to Homeward Bound after learning their apartment complex was in foreclosure—forcing them to move. Christine is working to finish her education while at Homeward Bound in an effort to get a better job to better support her daughters.

The TEAM designated a public area in the Licensing Division for staff and visitors to bring wrapped and unwrapped gifts for the family during the first weeks in December. The generosity demonstrated through this project was simply amazing—exceeding any expectations. Toys, clothing, household items, jewelry, bedding, gift cards, Christmas stockings overflowing with treats and trinkets, and even a bicycle for the 4-year old...all under the tree waiting for the special delivery on December 13, 2013.

With a fully-loaded SUV, including the front passenger seat, the TEAM member making the delivery was greeted by a very excited Homeward Bound Coordinator. As they unloaded the dozens of gifts to the space designated for Family #1052, the Coordinator's initial excitement shifted to disbelief, mixed with heartfelt joy, that anyone could be so incredibly generous. Her eyes brimmed with tears as she told the TEAM member how very much ADRE's sponsorship would mean to the family.

While the ADRE TEAM would never meet the family whose life they had touched so deeply, they are and, rightfully, should be happy in their hearts knowing that Together Everyone Achieves More. What a difference they have made in the lives of Family #1052.

## “TEAM” KUDOS RECOGNITION



### Connie Johnson

#### Enforcement and Compliance

Ms. Johnson is the Compliance Officer who has been with us for almost 8 years. In this position she ensures that Respondents comply with all provisions of consent orders and Commissioner’s final orders as a result of disciplinary matters. Ms. Johnson also plays a key role in the records management for ADRE and has a strong knowledge level of processes and procedures. She has a great sense of humor and is compassionate but firm when it comes to ensuring compliance. She has been recognized for showing compassion, understanding and setting an example.

*“Just a note to say ‘Thank you’ for showing compassion and understanding...Because you taught me by example, I am now passing it forward in trying to help people I work with. Thanks for helping me and know that you made a difference in my life and others that I may help. I will pass it forward.”*

-ADRE Licensee



### Jerry Baranuk

#### Business Services Division

While Jerry is not someone that many members of the public will meet when they visit the Department, he is the quiet force behind the scenes, helping to keep ADRE moving forward for 28 years. To mention a few of his tasks, Jerry plays a critical role in keeping ADRE’s mail room, files and supplies in order. He also assists with public records requests and insuring the ADRE vehicles are maintained. Jerry does all this and more with a smile and is always willing to help when a need arises. Thanks and Kudos to Jerry for all you do to help keep ADRE running smoothly day in and day out.



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

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**VOLUME 2014 - ISSUE 1**

The Periodic Bulletin from the  
Arizona Department of  
Real Estate

*An official publication of the  
State of Arizona*

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