



Arizona Department of Real Estate

Bulletin

Volume 2015 • Issue 1



Judy Lowe
Commissioner

COMMISSIONER'S
CORNER

T
E
A
M

PROTECTING THE CONSUMERis included in the Mission Statement of the Arizona Dept. of Real Estate, and must be an integral aspect of every real estate licensee's professional profile.

As I travel throughout Arizona, speaking at real estate events, one of the favorite topics is the real estate licensees' "Duties to the Client" which is so clearly stated in the Arizona Commissioner's Rules, R4-28-1101, ([click here](#)). I encourage you to visit the Commissioner's Rules, review the entire language pertaining to each duty, however, let's remind ourselves here of each of the licensees' duties.

- A. Fiduciary Duty and protection to the client, always promoting the client's interest; also, to deal fairly with all other parties to a transaction.
- B. Disclosures in writing to include: (1) information licensee possesses that materially or adversely affects the consideration to be paid including; (2) any information that the seller or lessor is or may be unable to perform; (3) any information that the buyer or lessee is, or may be, unable to perform; (4) any material defect existing in the property being transferred, even if there is no Seller Property Disclosure available; and (5) the existence of a lien or encumbrance on the property being transferred.
- C. Performance that is expeditious, with no intentional or neglectful delays.
- D. Avoid controversy with another licensee that might allow delay or interference with the initiation, processing, or finalizing of a transaction on behalf of a client.
- E. Written disclosure (before parties to the transaction enter any binding agreement) of licensee's present or prospective participation, interest or conflict, whether direct or indirect, in the transaction including, (1) that the licensee has a license and is acting as a principal; (2) that the purchaser or seller is a member of the licensee's immediate family; (3) that the purchaser or seller is the licensee's employing broker, or owns or is employed by the licensee's employing broker; or (4) that the licensee or a member of licensee's immediate family, has a financial interest in the transaction.
- F. Written consent of all parties to a transaction where Licensee is representing or being compensated by more than one party in transaction.
- G. Disclosure and written acknowledgement of all compensation paid to a licensee for goods or services delivered to a person that is related to or a result of a real estate transaction with the person.
- F. A licensee shall not practice real estate that is outside of their area of expertise, unless the licensee's lack of expertise is first disclosed to the client in writing, and the client subsequently employs the licensee.
- I. A Licensee shall exercise reasonable care in ensuring that the licensee obtains information material to a client's interests and relevant to a contemplated transaction and communicates the information to the client.
- J. Licensee must not allow occupancy of a property by a third party, nor deliver possession prior to closing, without written authorization of the Owner of the property.
- K. Licensee shall recommend to a client the need to seek appropriate counsel regarding risks of pre- and post- possession of a property.

PROTECTION OF THE CONSUMER IS EVERYONE'S MISSION!

FHA DROPS ANTI-FLIPPING WAIVER; 90-DAY RULE REINSTITATED

The U.S. Federal Housing Administration (FHA) has announced that, for the first time since 2010, it will not extend its waiver of the “anti-flipping rule” which means that, effective December 31, 2014, federal regulations will prohibit the use of FHA-insured financing to purchase single family properties that are resold within 90 days of their previous acquisition.

The FHA defines “property flipping” as the practice in which recently acquired properties are resold for a considerable profit at an artificially inflated price, often as the result of a lender’s collusion with an appraiser [or other transaction participants, such as mortgage originators and real estate licensee-Ed]. According to the FHA, most property flipping occurs within a matter of days after acquisition, and usually with only minor cosmetic improvements, if any, to the property in an effort to preclude the practice with respect to FHA-insured mortgages. HUD issued a final rule in May 2003 [24 CFR 2033.7a] that prohibits the issuance of FHA insurance if the contract of purchase and sale for the property securing the mortgage is executed within 90 days of the prior acquisition by the seller. Under the rule, re-sales occurring between 91 and 180 days, and between 91 days and one year from acquisition may be eligible for FHA insurance, subject to special value documentation requirements. Exemptions from the resale restrictions apply to HUD and other federal agency sales of real-estate owned (REO) properties, sales by approved nonprofit organizations, sales by state and federally-chartered financial institutions and government sponsored enterprises (GSEs) and sales of ‘properties in designated federal disaster areas.

In 2010, the FHA waived the 90-day anti-flipping rule in order to encourage investors to renovate foreclosed and abandoned homes, help stabilize real estate prices and support communities, with high foreclosure activity. To qualify for this waiver, transactions had to be “arm’s length” (as defined by the waiver rules) and if the sale price was more than 20% above the seller’s acquisition cost, the lender was required to take specific steps to document and justify the increase.

FHA’s waiver of the 90-day rule has been periodically extended through 2014, with strong support from industry groups such as the National Association of REALTORS®. However, the Office of the Inspector General for the U.S. Department of Housing and Urban Development (OIG-HUD) recently issued a report raising concerns about HUD’s oversight of lender compliance with the waiver requirements. The OIG report estimated that the situation presented significant risk to the FHA Mutual Mortgage Insurance Fund (MMIF), which supports the insurance program. The OIG recommended that HUD either strengthen its oversight controls or discontinue the waiver at the end of 2014. FHA apparently has made its choice, announcing in early December that it will not extend the waiver beyond December 31, 2014.

In a November news release, RealtyTrac®, “the nation’s leading source for comprehensive housing data,” releases its “Q3 2014 U.S. Home Flipping Report” showing that 26,947 U.S. single family homes were flipped” (purchases followed by re-sales within 12 months) nationwide in the third quarter of 2014. The statistic represents 4% of all U.S. single family home sales and is down from 4.6% in the second quarter of 2014 and 5.6% in the third quarter of 2013, the lowest level since the second quarter of 2009.

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.

A recent enforcement action announced by the Consumer Financial Protection Bureau (CFPB) serves as a timely reminder of federal Real Estate Settlement Procedures Act (RESPA) provisions that govern the business relationships and marketing services agreements in particular between “settlement service providers” including real estate licensees.

Among those provisions, RESPA section 8(a) prohibits giving or accepting a “fee kickback, or thing of value” pursuant to an agreement or understanding to refer business related to real estate settlement services for a federally-related mortgage loan {12 U.S.C. section 2607(a)}. Covered services include, but are not limited to, those provided by title companies, attorneys, surveyors, appraisers, real estate agents/brokers, mortgage loan originators and others.

In the real estate industry, marketing services agreements (MSAs) are sometimes executed to create a business relationship in which a real estate brokerage agrees to market or promote the services of a title or mortgage company, for example, which pays a marketing fee to the brokers. In general, such agreements are not necessarily unlawful. However, any “fee, kickback, or thing of value” that is given or accepted for the referral of settlement services business violates RESPA and can have serious consequences, such as cases in which MSAs are used to circumvent RESPA through payments to real estate brokers that are disguised as advertising or marketing fees.

In its recent announcement, the CFPB said that Michigan-based Lighthouse Title will pay a \$200,000 civil monetary penalty for illegal “quid pro quo” agreements.

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.

© ARELLO®. Excerpted from ARELLO's *Boundaries* magazine.



LICENSING/EDUCATION STATISTICS JANUARY 2015

Average Passing Percentages for "First Time Exam Takers"

EXAM TYPE	Jul-2014	Aug-2014	Sep-2014	Oct-2014	Nov-2014	Dec-2014
REAL ESTATE BROKER	63%	80%	65%	87%	82%	76%
REAL ESTATE SALESPERSON	60%	62%	59%	63%	67%	65%
CEMETERY BROKER	N/A	100%	N/A	N/A	N/A	N/A
CEMETERY SALESPERSON	100%	100%	71%	71%	72%	78%
MEMBERSHIP CAMPING BROKER	N/A	N/A	N/A	N/A	N/A	N/A
MEMBERSHIP CAMPING SALESPERSON	100%	100%	N/A	100%	100%	71%

Total Number of Licensees (Individual and Entity) as of January 27, 2015

77,260

Active Continuing Education (CE) Courses as of January 27, 2015

Live CE (Approximately)	2223
Distance Learning CE (Approximately)	271

ADRE Licensee Online CE Course Submissions July 10, 2014 through January 26, 2015

Total courses entered	101138
Distance Learning	54146
Percentages Distance Learning	54

EDUCATION UPDATE

ADRE CONSIDERED FEEDBACK FROM REAL ESTATE INDUSTRY REPRESENTATIVES in late September 2014 regarding instructor supervision, and after careful review, has decided to take the position that pursuant to A.R.S. §§ 32-2135 and 32-2153, an instructor's activities shall be subject to the supervision of the school where the instructor is employed at the time of the activities for that school. For clarification:

- The ADRE will maintain the current Sponsor school system for instructor certification. An instructor must be affiliated with a sponsor school to be an approved ADRE instructor.
- All ADRE instructor applications must be submitted to ADRE by the school that is represented on the application for recordkeeping, billing and communication purposes.
- The primary school on ADRE records for the instructor will continue to receive all ADRE communications and courtesy email renewal reminders pertaining to the instructors.
- The secondary sponsor school will no longer be required to obtain the primary sponsor school's authorization on any ADRE instructor applications. However, the sponsor school listed on the original and renewal Real Estate Instructor Approval/Renewal/Change Application (ED-101) will be listed on ADRE records as the primary sponsor school for the above purposes. An instructor's primary sponsor school may be changed at any time during the 4-year instructor license period by filing the above application. Educators, please watch for revised form notices and publications in the coming months.

FANNIE MAE/FREDDIE MAC RETURN TO 97% MORTGAGE LOANS

Government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac announced in December in order to ease access to U.S. mortgage credit, they will once again offer 97% loan-to-value (LTV) residential loans, making a return to previous offerings that were discontinued by the GSEs due to risks associated with the recent U.S. housing market crisis.

In a recent announcement, Fannie Mae said that “According to consumer research [it] conducted...the primary barrier to homeownership for first-time home buyers is saving money for down payments and closing costs.” In order to help expand access to credit and support sustainable homeownership, Fannie Mae will provide a mortgage option to qualified first-time homebuyers that will allow for a down payment as low as 3%, much less than is currently required in many cases. Fannie Mae’s usual eligibility requirements will apply including underwriting, income documentation and risk management standards. The loans also will require private mortgage insurance or other risk sharing, as is already required on purchase loans with greater than 80% LTV. In addition, eligible homeowners who wish to refinance their Fannie Mae mortgage, but do not qualify under the government-promoted Home Affordable Refinance Program (HARP), will be able to refinance their loan up to 97% LTV level under a limited cash-out option. Fannie Mae said that it has implemented prudent risk management factors to ensure that the new loans are appropriately underwritten, including “...essentially eliminating risk –layering on purchase money loans, requiring income documentation to avoid ‘low-doc’ or ‘no-doc’ lending and requiring income verification.”

A similar program announced by Freddie Mac will offer 97% LTV *Home Possible Advantage* loans to qualified low- and moderate-income borrowers for the purchase of single unit properties and “no cash out refinances” that will be available as 15-, 20- and 30-year fixed rate mortgages. First time homebuyers will be required to participate in an acceptable borrower education program to qualify. Dave Lowman, Freddie Mac’s Executive Vice President of Single-Family business said, “*Home Possible Advantage* gives qualified borrowers with limited down payment savings a reasonable path to homeownership and lenders a new tool for reaching eligible working families ready to own a home of their own. *Home Possible Advantage* is Freddie Mac’s newest effort to foster a strong and stable mortgage market.”

Although federally chartered, the two GSEs are privately owned companies that were created to establish and maintain U.S. secondary mortgage market. They do not make loans, but rather buy mortgages from lenders in order to encourage more mortgage lending and either hold the mortgages in their portfolios or package them as securities that provide guarantees against investor losses caused by defaults. Since their creation, the two GSEs have continued to grow and currently guarantee most of the residential mortgages in the U.S.

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.

© ARELLO®. Excerpted from ARELLO’s *Boundaries* magazine.

COMING SOON TO WWW.AZRE.GOV:

A down-loadable PDF version of a Property Management Trust Account Reconciliation form with detail, including:

- Schedule A – Deposits Not Yet Showing on Bank Statement
- Schedule B – Outstanding Checks & Withdrawals
- Schedule C – Owner Ledgers or Owner Reserve Balances
- Schedule D – Tenant Ledgers or Tenant Security Deposits Balances

Following the instructions attached to the form, and filling in the information, should result in a reconciliation of the Property Management Trust Account

GENERAL AND PROPERTY MANAGEMENT TRUST ACCOUNTS

BROKERS: Let's remember to submit a Trust Account Activity Notification form (Form AUD-100) whenever you open or close a general or property management trust account.

The document is available at www.azre.gov, Auditing Division. See Auditing Forms.



WITHIN TEN (10) DAYS OF A CHANGE/ ACTION, ALL LICENSEES ARE REQUIRED TO NOTIFY THE DEPARTMENT OF THE CHANGES AND/OR ACTIONS:

- Home Addresses or Home Mailing Addresses
- Email Addresses
- Personal or Business Telephone Numbers
- Misdemeanor or Felony Convictions
- Civil Judgments
- Actions against a Professional License

PLANNING A COMPANY EVENT OR MEETING?

To stay up-to-date with what's happening in real estate, and to hear "What's Making the Phone Ring at ADRE?," invite Commissioner Lowe to speak to your group.

For scheduling a potential date, contact Sarah Dobbins, the ADRE Chief of staff at sdobbins@azre.gov



PHOENIX ASSOCIATION OF REALTORS "JANUARY LUNCH & LEARN"
L. to R.: Debbie Leadford, Education Director; Commissioner Lowe, and
Diane Scherer, Chief Executive Officer

DEVELOPERS, LET'S LEARN AND LUNCH TOGETHER

ADRE is proud to announce its first Learn and Lunch for developers, and their staff, developer attorneys and title company representatives to begin educational dialogue by meeting with ADRE Development Services staff quarterly. ADRE plans to hold Learn and Lunch meetings starting in March, then once a month in June, September and, December 2015. ADRE looks forward to valuable and lively discussions on ADRE requirements and its process on frequent filing types and hear industry input and feedback on common issues with ADRE filings and other topics in today's development industry. Some of the topics to be discussed include the lot reservation exemption, conditional sales exemption, subsequent owner exemption, expedited, regular, and amendment public report applications.. Interested parties should provide their contact information to participate in the Learn and Lunch events to ADRE through the Message Center on the ADRE website at www.azre.gov under the Development Services section. ***This event will not include continuing education credit.***



COMMISSIONER LOWE RETAINED AS ADRE COMMISSIONER

Press Release from Governor Ducey's Office:

JANUARY 21, 2015

PHOENIX — Governor Ducey today announced Judy Lowe will continue as commissioner of the Arizona Department of Real Estate (ADRE).

Ms. Lowe has been pivotal to the department's many accomplishments over the past several years, assisting Arizona through some of the most unstable years in our state's real estate market," said Governor Ducey. "I appreciate her commitment to the agency and its important mission, and look forward to her continued service to our administration."

Judy Lowe has served as commissioner of ADRE since 2009. Prior to her appointment, she was the president and owner of Realty Executives Southern Arizona, working in various areas of real estate including commercial, residential, land, new home sales, relocation and corporate services. She formerly was an owner of Coldwell Banker Success Realty Arizona (1992).

Ms. Lowe has been a licensed realtor in Arizona since 1980 and a licensed broker since 1986.

COMMISSIONER LOWE EXTENDS HER "THANKS"

From the time Governor Ducey was elected in November, the Department began receiving copies of communications from all over Arizona that had been sent to the Governor's Transition Team website appealing to the Governor to re-appoint Commissioner Lowe. Notes and emails were sent directly to the Commissioner with encouragement and support for her re-appointment. These communications spoke of the many accomplishments and positive changes that had occurred at the Arizona Dept. of Real Estate over the last five+ years under Commissioner Lowe's leadership.

Upon receiving the word of her re-appointment Commissioner Lowe commented, "Governor Ducey has recognized the incredible success of this government agency, it's amazing staff, and the Commissioner and has once again listened and acted on the "voice of his Arizona constituents" and made the right decision. Thanks Governor Ducey, and his Transition Team, and Thanks to all in Arizona for making their voice heard. The ADRE will continue to perform for the great state of Arizona."



"Thanks for all the Congratulations I received", Commissioner Lowe

THE 52ND LEGISLATURE BEGINS ITS WORK AS SESSION COMMENCES

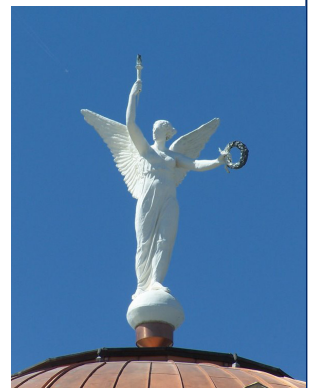
The time of year is upon us once again where the government affairs community, industry officials, and the public become a little more focused on the activities of our state legislators in Arizona. The 52nd Legislature, 1st Regular Session kicked off on Monday, January 12th with many new names and faces. They will continue their work for roughly 100 days. During this time, legislators will introduce a variety of bills 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.

To date, just fewer than 1,000 bills have been posted between the House of Representatives and the Senate. The deadline for the Senate to introduce bills is Feb. 2nd and the House is Feb. 9th. After these deadlines no new bills will be introduced, with, few exceptions.

Not all introduced legislation will become law, but it is important that the ADRE 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. Some of the bills introduced and issues discussed that could be relevant to real estate licensees are:

[HB2485](#) Tax lien foreclosures; subdivisions; exemption. Lots, parcels or fractional interests that are the result of a foreclosure of the right to redeem would be added to the list of lands that are exempt from statutes regulating the sale of subdivided lands.

[HB2254](#) Municipal tax exemption; residential lease. Municipalities or other taxing jurisdictions would be prohibited from levying a transaction privilege or other similar tax or fee on the business of renting or leasing “real property for residential purposes”. A municipality or other taxing jurisdiction that levies a tax or fee on the business of renting or leasing real property for residential purposes on January 1, 2015 would be prohibited from increasing the rate of the tax or fee and is required to annually reduce the rate by 25 percent of the initial rate for four consecutive years beginning on July 1, 2016 and each July 1 thereafter. Beginning July 1, 2019, municipalities and other taxing jurisdictions would be required to repeal any tax or fee on the business of renting or leasing real property for residential purposes. Retroactive to December 31, 2014.



In addition to tracking legislation throughout session, the ADRE also follows the budget process. As the ADRE has referenced in past bulletins, 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 Governor’s budget recommendation to the Legislature is to appropriate the ADRE approximately \$2.98M in Fiscal Year 2016.

The Governor’s FY2016 Executive Budget has now been sent to the Legislature. If you would like to view the Executive Budget please [click here](#) (Page 336). The ADRE is supportive of the Governor’s Budget Recommendations.

Moving ahead, the ADRE looks forward to working with industry stakeholders and listening to public concerns on any real estate related legislation. Information about the 2015 session and the legislature can be found at www.azleg.gov.

Brokers in Substantive Compliance Audit Honor Roll

7-1-14 to 9-30-14

ABBREVIATIONS USED IN SUBSTANTIVE COMPLIANCE

EBAR -= Electronic Broker Audit Review

<u>Lic. No.</u>	<u>Broker Name</u>	<u>Employing Broker</u>	<u>Type</u>
BR634272000	Adle, Michael E.	Compassrock Real Estate, LLC	EBAR
BR114901000	Akers, Craig	Omni Real Estate Solutions	Onsite
BR009268000	Allison, Vicki	Allison-Shelton Real Estate Services	Onsite
BR003006000	Bassett, Perry E.	Bassett Property Company	Onsite
BR104190000	Cartagine, Salvatore	Homestreet Realty	Onsite
BR008909000	Case, Gary W.	Case, Huff & Associates, Inc.	EBAR
BR530000000	Cavanagh, Paul	TLC Management	Onsite
BR526033000	Clark, Timothy	Area Realty	Onsite
BR036908000	Clow, Michael	Greystar	Onsite
BR534496000	Coady, Paul	CBRE Tucson Mgmt Services, LLC	Onsite
BR014055000	Coussoulis, Gregory	Gregory Coussoulis	Onsite
BR560478000	Creedon, Susan	Tucson Territory Property Mgmt	Onsite
BR021094000	Demson, Audrey	Property Management Specialists, Inc.	EBAR
BR116073000	Denman, Wade	Denman Realty & Property Mgmt	EBAR
BR008994000	Denure, Judith	Barrett-Eastman Property Mgmt	EBAR
BR107175000	Donnell, Thomas	Thomas P. Donnell	Onsite
BR535319000	Donohue, Carolyn	1st Place Property Mgmt	EBAR
BR629845000	Fischer, Barbara	AZ Residential Management	EBAR
BR535236000	Goolsby, David	Arizona Gold Realty	EBAR
BR045294000	Hanrath, Jeffery	Valley Income Properties, Inc.	EBAR
BR550549000	Hazen, Brandt	Hazen Enterprises	EBAR
BR512560000	Herrera-Di Peso, Melissa	Coldwell Banker The Dipeso Group	EBAR
BR114773000	Hovendick, Earl L "Butch"	AZ-CAL Realty LLC	EBAR

BROKER HONOR ROLL CONTINUED....

<u>Lic. No.</u>	<u>Broker Name</u>	<u>Employing Broker</u>	<u>Type</u>
BR547906000	Hovey, Eileen	Optima Realty Inc	EBAR
BR544661000	Hughes, Elizabeth "Beth" L	Sierra Vista Realty	EBAR
BR580118000	Hughes, Nicky	Cactus Rose Realty	EBAR
BR510385000	Kelley, George	Go Realty, LLC	Onsite
BR007273000	Keyser, Carol	Pinehurst Properties, Inc.	EBAR
BR035096000	Mahdavi, Firooz	Prospect Realty Estate LLC	Onsite
BR518049000	Stevens, Cynthia	Help U Sell Central Properties	Onsite
BR032887000	Sweet, Lorna	Premier Management Services	EBAR
BR554439000	Thompson, Bernard	Barney Thompson	EBAR
BR006386000	Thorne, James	SRM Premier Properties	Onsite
BR534447000	Watson, James	Perfect Choice Real Estate	Onsite

DISCIPLINARY ACTIONS

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
Maria Angel	West USA Realty Revelations	Chandler	Failed to disclose material facts regarding a real estate transaction.	\$1,000.00 CP, 6 hr in Commissioner Standards
Nelson Benitez	Candidate	Mesa	Disclosed a January 2013 conviction for Attempted Theft. License application denied.	License granted, 2 yr PL/PM.

DISCIPLINARY ACTIONS CONTINUED

Name	Brokerage at time of violation	Location	Summary	Order
Starr Ann Bennett	Statewide Realty LLC	Paulden	Failed to timely disclose August 2014 convictions for Production of Marijuana (class 5 felony), Possession of Marijuana and Possession of Drug Paraphernalia (class 1 misdemeanors)	Summary Suspension of license.
Anke Bernin	Candidate (relicense)	Scottsdale	Previous actions by ADRE (Voluntary Revocation) based on felony conviction (13F-DI-021). License reapplication denied.	License granted, 2 yr PL/PM
Steven Braunger	American Realty Brokers	Phoenix	Failed to timely disclose a May 2014 misdemeanor conviction	\$750.00 CP
Earl G. Carrier	Desert Vista Sales & Rentals	Surprise	Audit violations; trust account shortage; failure to maintain required documents; commingling and/or converted client trust monies; conducted real estate activity through an unlicensed entity	Cease and Desist Property Management activities
Amjad Casem	Associate Realty Inc.	Scottsdale	Failed to timely disclose a November 2013 adverse civil judgment	\$400.00 CP
Monika Catlin	Realty Executives	Scottsdale	Failed to disclose a May 2014 adverse action by the Arizona Corporation Commission	\$3,000.00 CP, 2 yr PL/PM, 6 hr CE in Commissioner Standards, \$5000.00 Surety Bond

DISCIPLINARY ACTIONS CONTINUED

Name	Brokerage at time of violation	Location	Summary	Order
Ronda Lee Clifton	Self-employed Broker	Kingman	Audit violations; failure to maintain required documents	\$6000.00 CP, 2 yr PL, 12 hr CE in Commissioner Standards (trust account administration and recordkeeping), Monthly Trust Account Reconciliations, Quarterly Review of Records, Vacate 8/7/2014 Cease and Desist Order.
Patricia Darcy	Long Realty Camelback	Phoenix	Failed to timely disclose a September 2014 misdemeanor conviction	\$400.00 CP
Desert Realty		Goodyear	Audit violations; trust account shortage; failure to provide requested documents	Cease and Desist Property Management activities.
Wendy M. Douglas	Lake Ridge Realty	Bullhead City	Audit violations; shortage in property management trust account	Revocation of license (default)
Tonya Duran	HomeSmart	Phoenix	Failed to timely disclose an August 2014 misdemeanor conviction	\$400.00 CP

DISCIPLINARY ACTIONS CONTINUED

Name	Brokerage at time of violation	Location	Summary	Order
Mario Espinoza	SLP Realty LLC	Scottsdale	Audit violations; trust account shortage; failure to maintain required documents; submitted false or misleading information.	Case and Desist Property Management activities
Mario Espinoza	SLP Realty LLC	Scottsdale	Audit violations; trust account shortage; failure to maintain required documents	\$6000.00 CP J&S, 2 yr PL, 12 hr CE in Commissioner Standards (trust account administration and recordkeeping), Monthly Trust Reconciliations, Quarterly Review of Records, Vacate 10/28/2014 Cease and Desist Order.
Bonnie Ewell-Doll	GECC Enterprises Inc	Tempe	Audit violations; trust account shortage; failure to maintain required documents	\$3000.00 CP J&S, 2 yr PL, 12 hr CE in Commissioner Standards (trust account administration and recordkeeping), Monthly Trust Reconciliations, Quarterly Review of Records, 30K Surety Bond
Erin Fischer	Keller Williams Realty Sonoran Living	Phoenix	Failed to timely disclose an April 2014 misdemeanor conviction.	\$400.00 CP

DISCIPLINARY ACTIONS CONTINUED...

Name	Brokerage at time of violation	Location	Summary	Order
Marcia Lynn Fox-Embrey	Property Source Realty	Avondale	Audit violations; shortage in property management trust account	\$7000.00 CP
Thyra Gadek	J&F Associates	Peoria	Failed to timely disclose a May 2012 misdemeanor conviction	\$500.00 CP
Judith Grammond	Real Estate Marketing	Tucson	Allowed an unlicensed individual to conduct real estate activity, failed to supervise.	\$500.00 CP
Patricia Hall	EXP Realty	Scottsdale	Failed to timely disclose an October 2013 misdemeanor conviction	\$750.00
Luis Carlos Hidalgo	Unlicensed Individual	Phoenix	Conducting unlicensed real estate activities (Property Management)	Cease and Desist Real Estate activities
Hidalgo Property Management LLC	Unlicensed Entity	Phoenix	Conducting unlicensed real estate activities (Property Management)	Cease and Desist Real Estate activities
Veronica M. Houck	Desert Vista Sales & Rentals	Surprise	Audit violations; trust account shortage; failure to maintain required documents; commingling and/or converted client trust monies; conducted real estate activity through an unlicensed entity	Cease and Desist Property Management activities
Kelvin Jarrell	West USA Realty	Cave Creek	Failed to timely disclose a March 2013 misdemeanor conviction	\$750.00 CP

DISCIPLINARY ACTIONS CONTINUED...

Name	Brokerage at time of violation	Location	Summary	Order
Kelly Keough	Inactive	Phoenix	Failed to timely disclose an October 2012 misdemeanor conviction	\$750.00 CP
Christina L. Kirby	Desert Realty	Goodyear	Audit violations; trust account shortage; failure to provide requested documents	Cease and Desist Property Management activities
Lake Ridge Realty		Bullhead City	Audit violations; shortage in property management trust account	Revocation of license (default)
Dorian Lange	Fowler Commercial	Prescott Valley	Failed to timely disclose a December 2012 adverse action by the California Board of Pharmacy	\$750.00
Beth Ann Laos	Inactive	Tucson	Noncompliance with previous Consent Order.	Revocation of License (Default)
Tracy Leary	Candidate	Tucson	Disclosed a September 1994 felony conviction for "Theft of Welfare" and October 1994 misdemeanor conviction for "Menacing." License application denied.	License granted, 2 yr PL/PM

DISCIPLINARY ACTIONS CONTINUED...

Name	Brokerage at time of violation	Location	Summary	Order
LeaseOwn Homes LLC dba LeaseOwn-Homes.com	Unlicensed Entity	Scottsdale	Conducting unlicensed real estate activities.	Cease and Desist Real Estate activities
Bradley Stephen Leker	Inactive	Chandler	January 2014 felony convictions for Aggravated Assault and Resisting Arrest. Late disclosure.	Summary Suspension of license.
Bette Lockhart	Unlicensed Individual	Tucson	Conducting unlicensed real estate activities.	Cease and Desist Real Estate activities
Reuben Macias	Sonoran Vista Properties	Mesa	Failed to timely disclose a July 2014 misdemeanor conviction	\$400.00 CP
Tanya Maria Marchiol	Team Investments Realty	Phoenix	October 2014 convictions for Willful Failure to File Tax Returns; November 2014 felony convictions for Conspiracy to Commit Money Laundering, Transactional Money Laundering, Concealment Money Laundering, Structuring Financial Transactions.	Summary Suspension of license.
Jason Maze	Realty Arizona Elite	Peoria	Failed to timely disclose a July 2012 adverse action by the Arizona Board of Appraisal.	\$750.00 CP

DISCIPLINARY ACTIONS CONTINUED...

Name	Brokerage at time of violation	Location	Summary	Order
Mike McAndrew	Self-Employed Broker	Blythe, California	Failed to timely disclose a May 2014 misdemeanor conviction.	\$750.00 CP
Steven McKamey	Pro Star Realty Inc	Phoenix	Failed to timely disclose a May 2014 misdemeanor conviction	\$750.00 CP
Steve Moss	West USA Realty	Anthem	Failed to timely disclose a February 2014 misdemeanor conviction	\$750.00 CP
Becky Neville	Hunt Real Estate Corporation	Phoenix	Failed to timely disclose a December 2013 misdemeanor conviction	\$750.00 CP
Abraham Olivas	Real Living S.J. Fowler Real Estate	Mesa	February 2014 class 6 felony conviction for Endangerment and misdemeanor conviction for DUI.	Revocation of License (default)
Roxanne Orona	TRT Property Management	Tucson	Failed to timely disclose a September 2014 misdemeanor conviction	\$400.00 CP
Thomas Pendergast	Apartment Finders	Phoenix	Failed to timely disclose a February 2013 misdemeanor conviction	\$400.00 CP
Property Source Realty		Avondale	Audit violations; shortage in property management trust account	\$7000.00 CP

DISCIPLINARY ACTIONS CONTINUED...

Name	Brokerage at time of violation	Location	Summary	Order
R.J. Diamond LLC dba Desert Vista Sales & Rentals		Surprise	Audit violations; trust account shortage; failure to maintain required documents; commingling and/or converted client trust monies; conducted real estate activity through an unlicensed entity.	Cease & Desist Property Mgmt activities
Marvin Rousselow	Unlicensed Individual	Scottsdale	Conducting unlicensed real estate activities.	Cease and Desist Real Estate activities
Steven Rydberg	Long Realty	Marana	Failed to timely disclose a September 2014 misdemeanor conviction.	\$400.00 CP
Carol Sinclair	Sinclair Associates	Tucson	Audit violations.	\$2000.00 CP, 2 yr PL, 6 hr CE in Commissioner Standards (trust account administration and recordkeeping), Monthly Trust Account Reconciliations Quarterly Review of Records
John Singleton	Candidate	Out of State	Disclosed a December 2012 adverse action by the Illinois Department of Financial and Professional Regulation. License application denied.	License granted, 2 yr PL/PM

DISCIPLINARY ACTIONS CONTINUED...

Name	Brokerage at time of violation	Location	Summary	Order
Debra Suzanne Sixta	Mohave Integrity Real Estate Services	Kingman	Audit violations; trust account shortage; failure to maintain required documents; failure to provide documents as ordered by subpoena; submitted false or misleading information when applying for renewal.	\$5000.00 CP, 2 yr PL, 12 hr CE in Commissioner Standards (trust account administration and recordkeeping), Monthly Trust Account Reconciliations Quarterly Review of Records, 30K Surety Bond, Vacate 8/27/2014 Cease and Desist Order.
SLP Realty LLC		Scottsdale	Audit violations; trust account shortage; failure to maintain required documents; submitted false or misleading information.	Cease and Desist Property Management activities
SLP Realty LLC		Scottsdale	Audit violations; trust account shortage; failure to maintain required documents	\$6000.00 CP J&S
Mare Smith	Unlicensed Individual	Tucson	Conducting unlicensed real estate activities	Cease and Desist Real Estate activities
Andrea Smith	Tierra Antigua Realty	Tucson	Failed to timely disclose an August 2012 misdemeanor conviction	\$750.00 CP

DISCIPLINARY ACTIONS CONTINUED...

Name	Brokerage at time of violation	Location	Summary	Order
Rosanne Terrell	West USA Realty	Mesa	Failed to timely disclose a September 2014 misdemeanor conviction	\$400.00 CP
Kevin Todd	Colton Commercial	Tempe	Failed to timely disclose October 2010 and February 2014 misdemeanor convictions, false renewal applications	\$1,500.00 CP, 45 day license suspension, 2 yr PL/PM, 6 hr CE in Commissioner Standards
Vee Kat LLC	Unlicensed Entity	Peoria	Conducted unlicensed real estate activity.	Cease and Desist Real Estate activities
Susan Wasley	Real Estate Marketing	Tucson	Conducted real estate activity for 3+ months while license was expired.	\$1000.00 CP
WEC Investments LLC dba Rentals Unlimited	Unlicensed Entity	Tucson	Conducting unlicensed real estate activities	Cease and Desist Real Estate activities

DISCIPLINARY ACTIONS CONTINUED...

Name	Brokerage at time of violation	Location	Summary	Order
Susan Marie Wester	Adobe Property Managers	Tucson	Audit violations; trust account deficiencies	\$5000.00 CP, 2 yr PL, 12 hr CE in Commissioner Standards (trust account administration and recordkeeping), Monthly Trust Account Reconciliations Quarterly Review of Records, 30K Surety Bond,
Andrew R. Wilson	Ranch Realty Inc	Scottsdale	Failed to timely disclose a December 2013 misdemeanor conviction	\$750.00 CP
Elizabeth Yashar	Courtney Valleywide Properties LLC	Tempe	November 2014 felony conviction for Possession of Dangerous Drugs.	Summary Suspension of license.

LICENSE SURRENDER

ARS §32-2137(A) - Surrender License

If the Department has commenced a disciplinary proceeding **against** a licensee, the licensee may request in writing for approval 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.”**

LAST NAME	FIRST NAME	LIC NUMBER	E & C FILE	SURRENDER DATE
FITZGERALD	RICHARD	SA641053000	14F-DI-132	10/20/2014
HODGIN	SONIA	SA570113000	15F-DI-061	11/12/2014
LAW	ELIZABETH	SA578474000	15F-Di-069	12/03/2014

WELCOME TO THE ADRE TEAM



CHRISTINA BRUCE
ADMINISTRATIVE ASSISTANT II
DEVELOPMENT SERVICES

Christina's first day at ADRE was also her birthday, January 26th. Christina will be working with Rose Frazee in Development Services in providing Development Public Reports to builders and subdividers. When not serving the people of Arizona, Christina can be found riding her Harley!



KATHY KIRSCH
ADMINISTRATIVE ASSISTANT II
REGULATORY AFFAIRS

Kathy joined ADRE in December 2014. Kathy brings with her a background in Legal assisting. ADRE is pleased have her working in the Investigation Division, as well as the Enforcement and Compliance Division. When she is not working, Kathy's passion is quilting.



FRANK MEDINA
AUDITOR

Frank joined ADRE in November 2014. He brings with him a background in financial auditing and is working at ADRE as an Auditor. When not working, Frank spends a lot of his spare time working on a mentoring program for college bound students thru an education foundation he oversees.

HOLIDAY GIVING—"ADOPT A FAMILY"

HELPING HANDS: In December 2014, ADRE staff gathered for their annual holiday potluck. As they had done the previous year, staff brought in gifts and money for a family they decided to adopt during the holiday season.

Once again, there were many worthy charitable organizations to choose from. ADRE selected the Department of Developmental Disabilities (DDD). DDD is a division of the Arizona Department of Economic Security. This division provides support and services to over 32,000 individuals living with disabilities. Often, these individuals are very young children who have been diagnosed with autism, cerebral palsy, Down Syndrome, or mental retardation. Too many times, the families of these individuals are overwhelmed with trying to provide the care and support that these children need.

ADRE contacted a DDD support coordinator and arranged to sponsor a single mother and her 4-year-old daughter. Staff donated things such as art supplies, My Little Pony toys, grocery store gift cards, and even a pink guitar for the daughter. Even though ADRE staff will never meet the mother and child, the staff received a warm feeling knowing that they helped a family less fortunate.

Recently, ADRE received a thank you letter from the family they sponsored. The single mother stated, "I am writing this letter to say thank you! My daughter was so happy to unwrap all those gifts. It felt great to see her smile. I cried when I saw how much you and your team were able to do for us. Your gifts truly brought joy to my heart. Your team funded our whole Christmas. When I get the chance, I will pay it forward. Thank you from the bottom of our hearts for being a blessing in our life.."



ADRE TEAM—DECEMBER 2014



Calendar Mark Your Calendars Mark Your

**ADRE will be closed in observance of President's Day,
Monday, February 16, 2015**



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

VOLUME 2015 - ISSUE 1

The Periodic Bulletin from the
Arizona Department of
Real Estate

*An official publication of the
State of Arizona*

DOUGLAS A. DUCEY
Governor

Judy Lowe
Commissioner

Real Estate Advisory Board

Kimberly Clifton, Chair
Frank Dickens, Vice - Chair
Carla Bowen
Charles Bowles
Bill Gray
Nedra Halley
Kimberly Horn
Dustin Jones
Scott Peterson
Jo Ann Sabbagh