



Arizona Department of Real Estate Real Estate Commission Bulletin



Volume 2013 • Issue 2



**Judy Lowe
Commissioner**

**COMMISSIONER'S
CORNER**

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A PROPERTY MANAGEMENT TSUNAMI.....

An event that is typically unseen and unexpected until it's too late generates the analogy of a tsunami to occur in the real estate industry. The exuberance of Phoenix's rental home market has grown over 80% in less than 7 years, resulting in the anticipated wave of homeowner's seeking property management. Driven by this enthusiasm, the Arizona real estate industry has stepped up to satisfy these needs by adding property management to their real estate service package or expanding an existing portfolio of property management business. The market has also attracted many national property management entities to Arizona for the expansion of their business.

As this explosion has taken place, the escalating problem of "not qualified" or not "Arizona Licensed" property management participants has increased. Many of these individuals/entities have no accounting background, are not familiar with Arizona laws governing real estate licensees' property management practices, or mistakenly perceive that property management is simply "calling the plumber at midnight for a backed up toilet".

Let's review just a few questions with answers about property management here.

Who needs to be licensed with the Arizona Department of Real Estate for property management/rentals?

*Property management is an area of expertise that has unique demands and procedures. Arizona has strict rules and standards to protect and serve property management clients effectively. Any person who acts on behalf of someone else and expects to receive or receives compensation to procure tenants or negotiate a rental or lease transaction must be an **active** Arizona real estate licensee pursuant to A.R.S §32-2101(47)(49), 32-2122(D), except as exempted in A.R.S §32-2121(A)(6) and (8).*

What is defined as "compensation"?

"Compensation" means any fee, commission, salary, money or other valuable consideration for services rendered, or to be rendered, as well as, the promise of consideration, whether contingent or not pursuant to A.R.S §32-2101(15).

Must salesperson and associate broker licensees do all property management under the supervision of their Designated Broker (DB)?

Yes, property management activity may not be performed outside of the supervision of the Designated Broker, and all compensation must be paid through the DB. The exception to this might be the licensee who OWNS a property and is authorized by their DB to manage the property outside of the Brokerage. Remember, should this happen, licensees/owners must disclose their licensed status to all prospects and on all agreements, and must clearly describe the holding of/disposition of all monies collected.

Is the Designated Broker (DB) responsible if the licensee does property management without the DB's knowledge?

Many DB's face the challenge of a 'rouge agent'. The DB is responsible for the acts of all licensees and other employees, and must demonstrate reasonable supervision. Commissioner's Rule R4-28-1103 provides solid guidance on this subject. A DB should quickly sever bad practitioners and report them to ADRE. This type of action helps to protect the Public and the reputation of our Industry. It also demonstrates reasonable supervision and insulates a DB from disciplinary action.

These are only a few of the issues to consider when doing property management. I suggest anyone currently offering property management services or considering adding this service, immediately enroll in a few of the property management courses, including accounting practices, that are offered through Arizona real estate educators.

I wish you Good Luck.

2013 BROKER AUDIT SURVEY

Voluntary Broker Audit Survey Thank you to all who voluntarily participated in the Arizona Department of Real Estate ("ADRE") Broker Audit Survey. The results will enhance the Department's mission of protecting the Arizona public and ensuring exceptional customer service while identifying ways to support real estate professionals like you.

After several weeks, the Department has concluded its aggregation of the results from the voluntary survey. As promised, no confidential information will be found on the results document. Nearly 5,300 Designated Brokers and Self Employed Brokers participated either through a link received via E-mail or by a hard copy mailing. This participation makes up about 73% of the DBs and SEs in Arizona. I remained optimistic throughout this exercise because I believed it would not only benefit the Department in answering inquiries in areas that lacked direction, but also for you as a real estate professional to see the activity that is effecting your industry. The survey provided only a small snapshot, but hopefully it will be effective in leading a productive dialogue and collaborative effort that will ultimately lead to positive reforms. Unfortunately, the Department received some problematic responses and could not provide answers on some of the survey questions, but overall I view this experience as a great success.

Please take a few moments and view the survey results available on the Department's homepage. [Click to view the results](#)

The real estate industry remains an essential element to the economic stability of Arizona. Your commitment to excellence in the field is recognized and appreciated.

Sincerely,
Judy Lowe

DISCIPLINARY ACTION DISCLOSURES must be reported to ADRE within 10 days of conviction/sentencing, failure to notify the department is a violation and may be subject to disciplinary actions by the department. A.A.C. R4-28-301

Use the Disciplinary Action Disclosure Form ([LI-214/244](#)) for new original license applicants or renewal applicants, as applicable, to notify the department when disclosing the following:

- ◆ Conviction for a misdemeanor or felony, or deferral of a judgment or sentencing for a misdemeanor or felony;
- ◆ Order, judgment, or adverse decision entered against the applicant involving fraud or dishonesty, or involving the conduct of any business or transaction in real estate, cemetery property, time-share intervals, membership camping contracts, or campgrounds;
- ◆ Restriction, suspension or revocation of a professional or occupational license, or registration currently or previously held by the applicant in any state, district, or possession of the United States or under authority of any federal or state agency; any civil penalty imposed under the license, or any denial of a license; or
- ◆ Order, judgment, or decree permanently or temporarily enjoining the applicant from engaging in or continuing any conduct or practice in connection with the sale or purchase of real estate or cemetery property, time-share intervals, membership camping contracts, campgrounds, securities, or involving consumer fraud or violation of the racketeering laws by the applicant, or payment from a recovery fund or fund of last resort due to the applicant's action or inaction.

License applicants or renewal applicants, as applicable, making a disciplinary action disclosure need to submit the Disclosure Document Checklist Form ([LI-400](#)) with required documents and forms per A.C.C R4-28-301. (Submit as one complete packet)

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RESOURCES FOR INFORMATION

The Department of Real Estate investigates violations of the real estate statutes and Commissioner's Rules by licensed real estate brokers or salesperson. Visit AZRE.gov for more information.

**The following areas are not managed by the Department of Real Estate.
The reference found below may be used as a general guide to sources of information.**

Commission disputes between Licensees

By Arizona law, disputes on commissions are to be handled through the Arizona court system.

Contractor issues

The Arizona Registrar of Contractors has jurisdiction concerning construction defects or issues related to contractors.

www.rc.state.az.us

Criminal actions (trespassing, assault, theft, etc.)

Contact local law enforcement agency

Ethics violations

Ethics complaint may be filed with the Arizona Association of Realtors®

www.aaronline.com

Escrow money issues

Holding or improper payment of escrow money by escrow/title companies is regulated by the Arizona Department of Financial Institutions.

www.azdfi.gov

Home Inspection

Home inspectors are regulated by the Arizona Board of Technical Registration.

www.btr.state.az.us

Home Warranty

Home warranties are under the jurisdiction of the Arizona Board of Insurance.

www.id.state.az.us

Homeowners Association (HOA) violations

There is no state agency that handles complaints about homeowner's associations.

HOA disputes must be pursued through the court system. These types of complaints are addressed under Arizona Revised Statutes, Title 33.

CC&R violations – violations of CC&Rs are civil and require civil action.

Landlord/Tenant disputes

There is no state agency that handles complaints about landlord and tenant disputes.

Landlord and tenant disputes must be pursued through the Arizona court system. For links of services for the general public contact the Department of Housing. www.azhousing.gov.

(Note: The Department of Housing does not regulate the Arizona Residential Landlord Tenant Act or resolve landlord and tenant issues)

Loan, Banking or Escrow problems

The Arizona Department of Financial Institutions regulates Escrow and Mortgage institutions in Arizona. www.azdfi.gov

Title or Home Insurance issues

The Arizona Department of Insurance regulates Title Insurance institutions and transactions in Arizona. www.id.state.az.us

Real Estate Transactions in Mexico

Department of Real Estate does not have jurisdiction over real estate transactions that take place in Mexico. ICRESON has a Registry of Mexico Real Estate Professionals.

<http://www.icreson.gob.mx/>

Find an Attorney in Arizona

Legal civil disputes handled through the Arizona Court System.

Legal Referral www.azlawhelp.org

Victims Advocate 602-542-8475.





TRUST ACCOUNT GUIDELINES

“All brokers are required to notify the Arizona Department of Real Estate in writing, within ten (10) days, of the opening and/or closing of any Broker Trust Account”

RECONCILING TRUST ACCOUNT(S) Managing a trust account(s) is a very serious obligation. The broker is responsible for ensuring that reconciliations are performed monthly and account balances are sufficient to satisfy all obligations to the beneficiaries, owners and tenants.

These monthly reconciliations are required by A.R.S. §32-2151(B)(2) and they will confirm that the amount of funds on deposit in the trust bank account(s) is sufficient to pay the amounts that are held in trust for tenants and owners (beneficiaries).

The funds held in trust include,

For Tenants: security deposits, other refundable deposits and pre-paid rents;
For Owners: reserves and undistributed income.

When holding non-refundable deposits or fees in the trust account, they must be included in the total.

Trust account reconciliation is a three step process:

- 1) Reconcile the trust bank account(s) records (check register or journal) with the monthly bank statement. This will determine the amount of funds available in the account (adjusted balance) and disclose any errors by the broker or the bank. If there is more than one trust bank account, all must be reconciled.
- 2) Determine the amount of trust funds held for beneficiaries (as of the date of the bank statement). These should be readily available and up-to-date in the tenant and owner ledgers. For tenants include security deposits, other refundable deposits, and pre-paid rents. For owners include reserves held and undistributed payments due the owners. When determining amount due owners, use only positive balances.
- 3) Reconcile the bank account record (adjusted balance) with the trust account records. The adjusted bank account balance should equal or exceed (by not more than \$3,000.00) the total of the trust account records. If you maintain one trust bank account and one ledger for tenant and owner funds, you will only perform one bank to trust account reconciliation. If you maintain separate accounts for tenant and client funds, you will perform two reconciliations. Any errors should be corrected immediately upon discovery.

A sample reconciliation worksheet is available on the ADRE website in Auditing Documents & Forms section.

[Click to view sample](#)

BROKER AUDIT HONOR ROLL

Brokers in Substantive Compliance 1-1-13 to 6-30-13

Bennett, Keith W. , BR522195000 Re/Max Traditions	Marquis, Jerry L. , BR524607000 Marquis Realty
Cherno-Latecz, Mervat S. , BR117175000 American Pride Realty	McCabe, Nicole M. , BR538387000 Posh Properties
Cooley, C. David , BR008524000 RMA - Preferred Professionals	McKinley, Gina H. , BR510435000 Re/Max Masters
Crippa, Sarah R. , BR513009000 Savage-Walker Realty	Millington, Denise , BR508851000 Graceton Real Estate and Property Management, LLC
DeRosa, Debra A. , BR007570000 Preference Properties, LLC	Mungle, Kim R. , BR112760000 A-List Properties
Eastman, Peter A. , BR009028000 Tara Realty, Inc.	Nicholson, Franklin H. , BR530976000 S & S Southwestern Management
Fowler, Steven J. , BR012851000 Real Living S.J. Fowler Real Estate	Pollock, Ann D. , BR005675000 Pollock Properties, Inc.
Friedman, Ted A. , BR562499000 Friedman Realty Associates	Preble-Collins, Kathy , BR007434000 Sierra Shadows Realty
Gunning, Deborah J. , BR533467000 Executive Realty Management & Sales	Rimsza, Bill , BR023443000 Rimsza Realty, Inc.
Harrell, Catherine T. , BR013795000 McGee Properties	Rizen, Thomas E. , BR006348000 Ran Realty & Property Management
Herman, Maury , BR013658000 Coast & Mountain Properties	Schlegel, Sandra , BR511491000 Wickenburg Property Management
Hernandez, Ernest T. , BR009168000 Cinque Terre Realty	Sharpe, Steve L. , BR003438000 R.S.V.P. Realty, Inc.
Hickman, Christopher , BR573627000 Re/Max Homestores	Smitherman, Cynthia D. , BR117123000 Emage' Fine Properties
Honold, Heather A. , BR565865000 Diverse Solutions Realty	Switzer, Sheldon D. , BR031781000 Selling AZ Realty
Jackson, Steve M. , BR003935000 CWB - Narico	Thompson, James G., Jr. , BR552965000 (Formerly Thompson's Realty)
Kahler, Dolores E. , BR529184000 Havasu Hills Realty	Tipton, Jeffery B. , BR526390000 Tipton Group Real Estate
Kellogg, Jacqueline A. , BR040423000 West USA Realty Flagstaff	Williams, Sandra , BR032889000 Creative Concepts Realty
	Wissinger, Leroy E. , BR014085000 Eagle Realty

Unlicensed Assistants and other unlicensed employees who receive compensation based on their work, unrelated to the success of a transaction. If an unlicensed assistant is paid on any basis that relies on the ultimate sale of a property, then the assistant must be licensed. (Substantive Policy Statement, SPS No. 2005.04)

The Department's Substantive Policy Statement, SPS No. 2005.04 provides, in part:

An unlicensed assistant in the employment of a licensed real estate broker MAY:

1. Perform telephone duties, including calls to:
 - a) Collect demographic information;
 - b) Solicit interest in engaging the services of a licensee or brokerage;
 - c) Set or confirm appointments (with no other discussion) for:
 - A licensee to list or show property;
 - A buyer with a loan officer;
 - A property inspector to inspect a home;
 - A repair/maintenance person to perform repairs/maintenance;
 - An appraiser to appraise property.
 - d) Mortgage and/or title companies to track the status of a file, check daily interest rates and points, whether buyer has been qualified, confirm closing appointment for licensee.
2. Assist a licensee at an open house.
3. Unlock a home for a licensee so that agent can show a buyer the property or preview the property (no discussion about the property).
4. Deliver documents (as a mail or delivery service only).

An unlicensed assistant SHALL NOT perform the following activities in the employment of a licensed broker:

- Hold / host an open house without an agent being present.
- Perform a walk-through inspection.
- Answer questions relating to a transaction document.
- Give instructions to inspectors, appraisers or maintenance / repair people. Because these instructions are part of the licensee's regular duties and there is a direct relationship to the (potential) transaction, a license is required in order to give instructions to inspectors, appraisers or repair/maintenance people.

VACANT PROPERTIES



While homeowner's continue to demonstrate a resilient effort to overcome the foreclosures market, the fluctuating economy, and the residual effects of a recent housing crisis, the issue of vacant properties looms as a reminder of times we would all soon like to forget.

The presence of vacant and abandoned properties is plaguing many of our local communities and placing a burden on cities and counties.

Studies have shown that vacant and abandoned properties put neighborhoods and their residents at risk. These properties are often a magnet for criminal activity and raise the risk of fires, and other forms of property damage to nearby structures. Besides reducing the values of adjacent properties and reducing residents' pride in their neighborhood, vacant and abandoned properties are bad news for neighbors, prospective buyers and localities everywhere. Some cities are implementing measures to prevent vacant buildings from getting to the point of blight and some have come up with creative ways for residents to reuse, infill empty lots.

As Arizona Real Estate Licensees, let's work together to ensure that all vacant properties entrusted to our care through a listing are checked on a regular basis, and that all potential entry points are secured and protected.

ONLINE ORIGINAL LICENSE APPLICATION PROCESS

ADRE is pleased to announce a recent modification to the Online Licensing System to enable an online submission of an original individual salesperson or broker license application!

Below is a summary of the new online process once the candidate has successfully completed the examination:

1. ADRE sends an email notification with the applicant id number and instructions to utilize the Online Licensing System. (*ADRE acquires the email provided to Pearson VUE for the notification*)
2. Applicant logs into the ADRE Online Licensing System on the right side “Login for the first time/Password Reset” with their applicant number, SSN prefix and birthdate.
 - After logging in, the applicant views a “limited” version of the home page exposing functions and alerts.
 - If any personal information (phone number, home address, and mailing address) is incomplete, an alert advises the applicant that the information must be supplied prior to submitting the original application.
 - After all personal information is supplied, an alert advises that the scanned application may be submitted through the ADRE Online License System.

NOTE: Candidates for a broker’s license who hold a current Arizona salesperson license will need to submit application to ADRE via the Message Center, mail or in-person.

3. A “submit application” is presented with instructions to upload attachment.

All required documents/forms need to be scanned into one PDF file. System will only allow one file attachment.

- Original Arizona Salesperson or Broker Application Form;
- Original Arizona Salesperson or Broker Examination Score Report;
- Pre-licensure Education Certificate showing proof of the (90) hours of education attendance;
- Proof of Legal Presence (copy of both sides of card);
- Fingerprint Clearance Card issued by the Arizona Department of Public Safety (copy of both sides of card);
- Disciplinary Actions Disclosure Form (LI-214/244)**
- SALESPERSON:** Contract Writing showing proof of the (6) hours of education attendance **OR**
- BROKER:** Proof of Certificate of Completion for 9 hours Broker Management Clinic, Original Broker Candidate Experience Verification Form (LI-226) and if applicable, out-of-state certified license history.

***All YES answers must submit a Disciplinary Actions Checklist Form (LI-400) with required original documents, are not eligible to submit application online and submit complete application by mail or in-person.*

4. Applicant is advised, “application is pending ADRE approval” and will be notified by email when the review is completed as followed:

APPROVED: ADRE “approves” with a Payment Request sent to applicant;

- Payment is accepted, the licensee now has a inactive license, however, must Hire on with a Designated Broker before practicing real estate.
- Request to “hire-on” to Broker may be done online by new licensee, however, the Designated Broker must accept the “hire on” using the Online Licensing System.

INCOMPLETE: ADRE “closes-incomplete” with a reason(s) for deficiency and instructions to resubmit a complete application.

IMPORTANT: Applicants should not submit more than one application, separate from the online system, to avoid duplicate charges.

Visit the [Online License System](#) link to view services available to licensees

ARIZONA BRANCH OFFICE LICENSE COMPLIANCE

IMPORTANT NOTICE TO LICENSED ARIZONA BROKERS RESIDING OUT-OF-STATE ARIZONA BRANCH OFFICE LICENSE COMPLIANCE

Pursuant to A.R.S. §R4-28-302, Employing Broker's License; Non-resident Broker

- L. Non-resident employing broker.
1. An employing broker that holds a non-resident license and maintains a principal office outside this state shall:
 - a. Maintain a trust account or licensed escrow account situated in Arizona for monies received from Arizona transactions;
 - b. Maintain, in Arizona, copies of all documents pertaining to any Arizona transactions handled by the broker;
 - c. Provide a written statement to the Department identifying the name, address, and telephone number of the person residing in Arizona, such as a statutory agent or attorney, who has possession of the records; and
 - d. Identify the physical location of the records.
 2. An employing broker that holds a non-resident license and employs a licensed salesperson or broker within the state shall:
 - a. Establish an office in Arizona and appoint a branch manager; and
 - b. Provide a statement describing how the licensed employee shall be supervised.
 3. An employing broker who holds a non-resident license shall notify the Department within 10 days of any change to any information required under this Section.

Below are links from the ADRE website www.azre.gov to file a branch office license application.

LICENSING DIVISION: BRANCH OFFICE ORIGINAL LICENSE / CHANGE

[Delegation of Authority Application Instructions](#)

Detailed instructions for a designated broker applying to authorize certain statutory/rule duties on the Delegation of Authority Application.

[Delegation of Authority Application \(Form LI-204\)](#)

Designated Brokers use this form to authorize duties to other licensees employed by the employing broker to act as a branch manager, report a temporary absence, or delegate authority to review and initial contracts or similar instruments pursuant to A.R.S. 32-2127(D), and A.R.S. 32-2151.01(G), and A.A.C. R4-28-304(B).

[Branch Office Application Instructions](#)

[Branch Office Application \(Form LI-219\)](#)

[Salesperson / Associate Broker Change Form \(LI-202\)](#)

Average Passing Percentages for "First Time Exam Takers"	
EXAM TYPE	March 1, 2013 - July 31, 2013
REAL ESTATE BROKER	71%
REAL ESTATE SALESPERSON	69%
CEMETERY BROKER	N/A
CEMETERY SALESPERSON	75%
MEMBERSHIP CAMPING BROKER	N/A
MEMBERSHIP CAMPING SALESPERSON	38%
Total Number of Licensees (Individual and Entity) as of August 8, 2013	
83,949	
Active Continuing Education (CE) Courses as of August 8, 2013	
Live CE (Approximately)	2,543
Distance Learning CE (Approximately)	308
ADRE Licensee Online CE Course Submissions March 1, 2013 through July 31, 2013	
Total courses entered	88,977
Distance Learning	46,032
Percentage Distance Learning	52%

2013 LEGISLATIVE REVIEW

The 51st Legislature Regular, 1st Regular Session adjourned sine die (Latin meaning "without assigning a day for a further meeting or hearing") at 12:59 AM on Friday June 14th. Over 1,150 new pieces of legislation were introduced during the course of the 151 day session that began on January 14th. Governor Janice K. Brewer signed 256 pieces of new legislation. On June 10th, the Governor called a Special Session to address the topics of Medicaid expansion and the FY2014 budget. The budget was passed including the expansion during the three day Special Session that ran concurrently with the Regular Session.

The Department was proactive throughout session contributing input on bills that could have an impact on agency operations and the industry as a whole. I would like to thank all of the stakeholders, both associations and the public that expressed their thoughts and concerns with legislative issues during the session. Your input is valued and appreciated.



I am proud to say that among the Legislative accomplishments we saw during 2013 was the passage of HB 2525 (Laws 2013, 1st Regular Session, Chapter 61) sponsored by Representative Warren Petersen. This legislation allows an inactive real estate licensee in good standing the ability to cancel their license without being forced to first be hired by a designated broker. Furthermore, this bill extended the term for a developer to qualify for an exemption to use an original public report from two to five years. This legislation was a step to reduce unnecessary regulatory burden for developers and the industry.

A Legislative Overview for 2013 is available on the ADRE website at azre.gov. For a more comprehensive list please visit azleg.gov. The general effective date for all legislation is September 13, 2013 unless otherwise stated.

Thank you again for your support of the ADRE and for all that you do to contribute to the economic health of the state of Arizona.

Louis Dettorre
Legislative Liaison

Governor Brewer Appoints New Members to the Real Estate Advisory Board

The Arizona Real Estate Advisory Board shall provide the Commissioner with recommendations as it deems necessary and beneficial to the best interests of the public, as well as, recommendations on specific questions or proposals. Visit the website at www.AZRE.gov to contact a member.

UPCOMING MEETINGS

Real Estate Advisory Board open door meeting:

*August 14, 2013 (10am to Noon)
Arizona Department of Real Estate
2910 N 44th St Phoenix, AZ 85018
Commissioner's Conference Room*

Special Advisory Board open door meeting: (Property Management)

*August 21, 2013 (9am to Noon)
Arizona Department of Real Estate
2910 N 44th St Phoenix, AZ 85018
Third Floor Conference Room
Limited Seating*



Bill Gray

Appointed to the Board in June 2013.

Member Gray is nationally recognized as a professional moderator and active in real estate and business education in Arizona for over 35 years. Past President of Arizona School of Real Estate & Business and the Real Estate Educator Association.



Scott Peterson

Appointed to the Board in June 2013.

Member Peterson is President of Porchlight Homes and an active member in Arizona's development and homebuilding industry. He has also held various executive positions within both the Arizona and National Homebuilders' Associations.

DISCIPLINARY ACTIONS (3.1.2013 - 6.30.2013)

ABBREVIATIONS USED IN DISCIPLINARY ACTIONS

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

Name	Brokerage	Location	Summary	Order
360Training.com S01-0005		Out of State	Offered real estate courses without a Certificate of School Approval.	\$5,000.00 CP
Jamal Abdallah BR629649000	Self Employed	Scottsdale	Failed to timely disclose an October 2012 adverse judgment.	\$400.00 CP
Kareem Abdullah <i>Unlicensed Applicant</i>		Tempe	Multiple misdemeanor convictions and adverse judgment. License application denied.	License granted, 2 yr PL/PM
Jason Abrams SA625882000		Out of State	Failed to complete CE in a timely manner.	\$400.00 CP, complete CE in 30 days
Lea Ann Adam BR586748000		Out of State	Failed to complete CE in a timely manner.	\$500.00 CP, complete CE in 30 days
Debra J Ade SA587737000	Sonoran Desert Lifestyles LLC	Carefree	Failed to timely disclose a January 2012 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted
Rick D Anderson SA506118000	Brooks Realty & Advisory Group	Scottsdale	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Dawn Audra Anderson BR541047000	Maricopa Properties LLC	Maricopa	Audit violations; shortage in property management trust account.	Cease and Desist
Michael Joseph Badiaco SA578272000	Wise Choice Properties	Phoenix	Failed to timely disclose a January 2010 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted
Maria Eva Baez SA562350000	HomeSmart	Phoenix	Conducted property management activity separate from employing broker.	\$3,000.00 CP, 2 yr PL/PM
Lawrence Baker BR515936000	Baker Realty	Scottsdale	Failed to timely disclose a May 2008 notary commission revocation.	\$750.00 CP
Robert M Banovac SA624695000		Phoenix	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Mary Ann Battaglia BR004273000		Benson	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Lawrence A Becko SA532016000	Keller Williams, Southern AZ	Tucson	Engaged in unlicensed activity for 10+ months.	\$1,000.00 CP

DISCIPLINARY ACTIONS (3.1.2013 - 6.30.2013)

Name	Brokerage	Location	Summary	Order
Stephen D Belt SA551565000		Scottsdale	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Denise Bowyer SA633386000	United Brokers Group	Phoenix	Conducted real estate activity for a broker other than the broker licensed to.	\$1,500.00 CP, 6 hr CE in Commissioner Standards
Anthony D Boydston SA535024000	Red Brick Realty	Chandler	Failed to complete CE in a timely manner.	\$500.00 CP, complete CE in 30 days
Terry B Brodtkin BR007904000	Terry B Brodtkin Associates, Inc	Paradise Valley	Failed to timely disclose an October 2011 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted
Samuel P Cambron SA560604000	Welcome Home Realty	Out of State	Failed to timely disclose a May 2011 misdemeanor conviction.	\$750.00 CP
Sue Cartun BR005019000	Keller Williams Southern Arizona	Tucson	Failed to properly supervise, resulting in unlicensed activity by employee.	\$500.00 CP
Jeffrey S Christian SA627929000	Courtney Valleywide Properties LLC	Tempe	Failed to timely disclose an April 2012 misdemeanor conviction.	\$400.00 CP
Chad Cluff BR567582000	Cluff Real Estate LLC	Mesa	Failure to maintain complete sales logs and records.	\$1,000.00 CP, 6 hr CE in Commissioner Standards
James Coleman <i>Unlicensed Applicant</i>		Maricopa	Disclosed a December 2000 felony conviction for Aiding and Abetting in Credit Card Fraud. License application denied.	License granted, 2 yr PL/PM
Peter Conti <i>Unlicensed Individual</i>		Out of State	Unlicensed real estate activity.	Cease and Desist
Ashley Crisci SA555526000	Phoenician Properties	Scottsdale	Failed to timely disclose an August 2008 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted
Lester H Curry BR524595000	Curry Homes	Coolidge	Multiple violations, failure to maintain broker trust accounts, employed unli- censed individuals, failed to produce docu- ments.	Revocation of License, \$8,000.00 CP J&S
Curry & Curry LLC LC638666000	Curry Homes	Coolidge	Multiple violations, failure to maintain broker trust accounts, commingled funds, failed to produce documents.	Revocation of License, \$8,000.00 CP J&S
David M Daluz SA511787000	Diamond Resorts International Marketing, Inc	Sedona	Engaged in unlicensed activity for 3+ months.	\$750.00 CP
Veronica Damiano BR533341000	TDY Realty	Sahuarita	Failed to timely disclose a February 2013 adverse judgment.	\$400.00 CP

DISCIPLINARY ACTIONS (3.1.2013 - 6.30.2013)

Name	Brokerage	Location	Summary	Order
Randy D Delgado SA538450000	West USA Realty Inc	Phoenix	Failed to timely disclose a November 2010 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted
DiscountFineLiving.com <i>Unlicensed Entity</i>		Scottsdale	Unlicensed real estate activity.	Cease and Desist
Rebecca Ann Fender SA627048000	Prologis Management, Incorporated	Gilbert	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Marc D Freislinger SA638776000	PMI Scottsdale Realty	Scottsdale	Failed to timely disclose a January 2012 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted
Troy D Goodwin BR550825000	Self Employed Broker	Taylor	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Johnny Griffith BR006898000	Diamond Resorts International	Sedona	Failed to properly supervise, resulting in unlicensed activity by employee.	\$400.00 CP
Souren Hatsakorzian SA581808000	The Biltmore Group	Phoenix	Failed to timely disclose a September 2011 misdemeanor conviction.	\$750.00 CP
Tabitha R Higgins SA624055000	Keller Williams Check Realty	Prescott	Failed to timely disclose a June 2012 misdemeanor conviction.	\$400.00 CP
Deborah Hoffman BR514054000	Keller Williams Check Realty	Prescott	Failed to properly supervise, resulting in unlicensed activity by employee.	\$1,000.00 CP, 6 hr CE in Commissioner Standards
Homes Staged Free <i>Unlicensed Entity</i>		Scottsdale	Unlicensed real estate activity.	Cease and Desist
Mickala Anne Horner SA585608000	Pro Star Realty	Phoenix	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Heather J Jensen SA626950000	Sunbelt Realty and Business Advisors, LLC	Phoenix	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Paula M Jones SA513790000		Tucson	Failed to timely disclose a June 2011 misdemeanor conviction.	\$750.00 CP
Joseph M Kaser BR625279000	Casa Pointe Realty LLC	Sedona	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Catherine Klein SA585960000	Keller Williams Check Realty	Prescott	Engaged in unlicensed activity for 6+ months.	\$750.00 CP

DISCIPLINARY ACTIONS (3.1.2013 - 6.30.2013)

Name	Brokerage	Location	Summary	Order
Melissa Kunz BR519461000	COE Realty LLC	Maricopa	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Nema Lankarani SA623400000		Phoenix	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Beth A Laos SA554961000	Long Realty	Tucson	Late disclosure of adverse judgment involving loan misrepresentation.	\$3,000.00 CP, 2 yr PL/PM, 6 hr CE in Commissioner Standards
Travis Larsen BR523767000	Presidential Realty LLC	Mesa	Failed to properly supervise a licensee who was under a Provisional License.	\$2,000.00 CP, 6 hr CE in Commissioner Standards
Stephen J Lenz SA535957000	Frontier Development	Scottsdale	Failed to timely disclose a March 2011 misdemeanor conviction.	\$750.00 CP
Kimberly Lincoln SA642465000	Keller Williams Professional Partners	Litchfield Park	Failed to timely disclose an August 2012 misdemeanor conviction.	\$750.00 CP
Susie Lockhart BR03774000	Rent-A-Home	Lake Havasu City	Audit violations.	\$3,000.00 CP J&S
Steven Long BR624275000	Tonopah Realty	Tonopah	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Justin Long SA566881000		Scottsdale	Engaged in unlicensed activity for 5+ months.	\$750.00 CP
Karen Lopez BR008511000	ReMax Prestige Properties	Kingman	Divided and conveyed land parcels in Mohave County without complying with applicable subdivision statutes and rules.	\$2,500.00 CP, comply with subdivision laws and rules, 9 hr CE in Commissioner Standards
Carlos G Luna SA578024000	Inactive	Avondale	Failed to timely notify the Department of a December 2010 felony conviction for Negligent Homicide, currently on supervised probation. Violated terms of previous Consent Order.	Revocation of License
Maricopa Properties LLC LC576315000		Maricopa	Audit violations; shortage in property management trust account.	Cease and Desist
Chris E Marx SA646933000	Service First Realty, LLC	Glendale	November 2006 adverse action by the Arizona Corporation Commission. License renewal application denied.	License granted, 2 yr PL/ PM, 10K Surety Bond
Anne B McCauley BR039877000	Bennett Property Management Inc	Mesa	Failed to properly supervise, resulting in unlicensed activity by employee.	\$500.00 CP

DISCIPLINARY ACTIONS (3.1.2013 - 6.30.2013)

Name	Brokerage	Location	Summary	Order
Richard A McCrory <i>BR008366000</i>	1st Option Realty	Tucson	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Teresa Mendoza <i>SA529845000</i>	Bennett Property Management Inc	Mesa	Engaged in unlicensed activity for 7+ months.	\$1,000.00 CP
Thomas Dane Miller <i>SA625917000</i>	Southwest Business & Commercial Realty	Mesa	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Eric Moody <i>Unlicensed Applicant</i>	Call Realty, Inc	Queen Creek	December 2009 conviction for Possession of Marijuana, June 2011 misdemeanor convictions for Criminal Impersonation and Theft. License application denied.	License granted, 2 yr PL/BA
Robert Mourad <i>SA514958000</i>	1st USA Realty	Mesa	Failed to timely disclose a November 2012 misdemeanor conviction. License renewal denied.	\$400.00 CP, license renewal granted
Renee W Nordland <i>SA623787000</i>		Scottsdale	Failed to complete CE in a timely manner.	\$500.00 CP, complete CE in 30 days
Jerry Norton <i>Unlicensed Individual</i>		Out of State	Unlicensed real estate activity.	Cease and Desist
Timothy O'Buckley <i>BR509092000</i>	ReMax Professionals	Glendale	Failed to timely disclose a January 2011 misdemeanor conviction.	\$750.00 CP
Art L Ornelas <i>BR013329000</i>	Ornelas Realty & Investments	Tucson	Engaged in unlicensed activity for 10+ months.	\$1,000.00 CP
Outer Reach Ranch Holdings Trust <i>Unlicensed Entity</i>		Out of State	Divided and conveyed land parcels in Maricopa County without complying with applicable subdivision statutes and rules.	\$1,500.00 CP (J&S), Affidavits of Disclosure, Vacate C&D
John Allen Patterson <i>SA114897000</i>	US Investment Realty	Phoenix	Represented a broker other than broker licensed with.	\$4,000.00 CP, 2 yr PL/PM, 6 hr CE in Commissioner Standards
Danny R Perez <i>SA574015000</i>	Tucson REO, LLC	Tucson	Failed to timely disclose a June 2009 misdemeanor conviction. License renewal denied.	\$750.00 CP, license renewal granted
Daniel A Peters <i>SA625168000</i>		Tucson	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Kirk Piersma <i>BR534214000</i>	Desert Investment Advisors LLC	Phoenix	Failed to comply with terms of a previous Consent Order. Failed to respond to Department Notice of Hearing.	\$1,000.00 CP, Revocation of License (default)

DISCIPLINARY ACTIONS (3.1.2013 - 6.30.2013)

Name	Brokerage	Location	Summary	Order
Kristin A Pool SA542277000		Tucson	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Cindy Annette Qualtiere SA035475000	Inactive	Apache Junction	January 2012 felony conviction for Criminal Impersonation.	Revocation of License, \$3,000.00 CP
Peter F Quinlan BR012149000		Out of State	Divided and conveyed land parcels in Maricopa County without complying with applicable subdivision statutes and rules.	\$1,500.00 CP (J&S), Affidavits of Disclosure, Vacate C&D
Rent-A-Home SE037740000		Lake Havasu City	Audit violations.	\$3,000.00 CP J&S
Travis M Richards SA514192000	Hyatt Residential Marketing Corp	Sedona	Failed to timely disclose an September 2012 misdemeanor conviction.	\$400.00 CP
Dawn Wendy Riddle BR041596000	Santa Fe Realty	Flagstaff	Audit violations.	\$3,000.00 CP, 2 yr PL, 6 hr CE in Commissioner Standards, Trust Accounts
David Rivera SA540947000		Laveen	Failed to timely disclose an October 2010 misdemeanor conviction.	\$750.00 CP
Joshua Rothberg BR517401000	Scout Realty LLC	Mesa	Audit violations; shortage in property management trust account.	Cease and Desist
Scout Realty LLC SA564060000		Mesa	Audit violations; shortage in property management trust account.	Cease and Desist
Ryan Rowland BR549291000	The Real Estate Company	Phoenix	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Andrew J Roy BR029988000	Expired	Kingman	Failed to timely disclose a December 2012 misdemeanor conviction. Failed to respond to Department Notice of Hearing	Revocation of License (default)
Gerald Russell SA588689000	Realty Executives	Scottsdale	Failed to properly supervise, resulting in unlicensed activity by employee.	\$500.00 CP
Rogério Reis Saddy LC644198000		Phoenix	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Salco Property Management LLC LC634991000	Salco Property Management	Peoria	Conducted real estate activity for 7+ months while license was Inactive.	\$1,500.00 CP
Show Ready Homes <i>Unlicensed Entity</i>		Scottsdale	Unlicensed real estate activity.	Cease and Desist

DISCIPLINARY ACTIONS (3.1.2013 - 6.30.2013)

Name	Brokerage	Location	Summary	Order
Kevin A Snow SA556066000	Russ Lyon Realty	Scottsdale	Paid compensation to another salesperson that was not paid through the employing broker.	\$2,000.00 CP, 2 yr PL/PM, 6 hr CE in Commissioner Standards
H Philip Stockwell SA572266000	SPR Commercial	Scottsdale	Failed to timely disclose a September 2011 misdemeanor conviction.	\$750.00 CP
Strategic Marketing Systems LLC <i>Unlicensed Entity</i>		Scottsdale	Unlicensed real estate activity.	Cease and Desist
Harry Swirnoff BR003682000	Pacific Capital Advisors, LLC	Phoenix	Failed to timely disclose a December 2012 misdemeanor conviction. License renewal denied.	\$400.00 CP, license renewal granted
Henry C Taylor III SA523671000	Real Estate Marketing Professionals	Tucson	Failed to timely disclose March 2003 and October 2010 misdemeanor convictions. License renewal denied.	\$1,000.00 CP, license renewal granted
Edward J Thum II SA637317000	Tucson Real Estate Resource	Tucson	Failed to timely disclose an August 2011 misdemeanor conviction.	\$750.00 CP
Cody A Toppert SA626997000		Phoenix	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Julie A Treiber SA542124000	Russ Lyon Realty	Scottsdale	Received compensation from another salesperson that was not paid through the employing broker.	\$1,000.00 CP, 2 yr PL/PM, 6 hr CE in Commissioner Standards
Vacancy Savers <i>Unlicensed Entity</i>		Scottsdale	Unlicensed real estate activity.	Cease and Desist
Taryn Vandervoort SA545639000 <i>(Applicant)</i>	West USA Realty Revelation	Mesa	Previous default revocation for failure to respond to notice of hearing. License application denied.	License granted, 2 yr PL/PM
Victor J Vega SA585857000		Phoenix	Failed to complete CE in a timely manner. Failed to respond to Department Notice of Hearing.	Revocation of License (default)
Christopher A Vining SA631894000	Inactive	Mesa	March 2012 felony convictions for Resisting Arrest and Endangerment. Failed to respond to Department Notice of Hearing	Revocation of License (default)
White Mountain Lakes Development and Marketing <i>Unlicensed Entity</i>		Tucson	Failed to amend Public Report DM06-051907 for failing to completion dates and assurances for facilities as indicated in Public Report.	Summary Suspension of Public Report DM06-051907
Rosann Williams SA533898000	Realty Executives	Mesa	Allowed an unlicensed person to conduct real estate activity.	\$1,000.00 CP
Frederic Eric Williamson SA579896000	HomeSmart	Phoenix	May 2013 felony conviction for Aggravated Assault.	Summary Suspension of license.

DISCIPLINARY ACTIONS (3.1.2013 - 6.30.2013)

Name	Brokerage	Location	Summary	Order
Robert Woods SA552805000	Friedman Realty Associates	Peoria	Failed to timely disclose a March 2013 adverse judgment.	\$400.00 CP
Myles C York SA566888000	Realty One Group Inc	Scottsdale	Failed to complete CE in a timely manner.	\$300.00 CP, complete CE in 30 days
Jessica N Zahn BR509621000	Commercial Investment Advisors Inc	Scottsdale	Failed to properly supervise, resulting in unlicensed activity by employee.	\$500.00 CP
Justin J Zahn SA545840000	Commercial Investment Advisors Inc	Scottsdale	Engaged in unlicensed activity for 9+ months.	\$1,000.00 CP

LICENSE SURRENDER REPORT (3.1.2013 - 6.30.2013)

ARS §32-2137(A) - Surrender License

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

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

LAST NAME	FIRST NAME	LIC NUMBER	E & C FILE	SURRENDER DATE
BAYHAM	ELIZABETH A	SA554665000	13F-DI-268	6/3/2013
BENNETT	MARY D	SA630322000	13F-DI-232	5/14/2013
GITTUS	STACY L	SA626174000	12F-DI-320	3/27/2013
HOLLY	LISETTE M	SA507776000	12F-SD-340-2	4/22/2013
LEVY	SUSAN INA	SA116946000	12F-DI-264	4/10/2013
MRISCIN	DAVID	BR523780000	13F-DI-124	3/22/2013
STEINBERG	ROBERT D	SA640167000	12F-DI-399	5/24/2013
VEGA	JORGE ALEJANDRO	BR107459000	12F-DI-294	5/24/2013

WELCOME TO THE DEPARTMENT

The Department of Real Estate is pleased to announce Dan Jones to the position of Auditor and recent appointment of Wayne Jackson and Jim Ledwith to the position of Senior Investigators.



Wayne Jackson
SENIOR INVESTIGATOR

Retired Marine with over 25 years' investigative experience conducting criminal and civil inquires and investigations. Returned from Afghanistan after working as a civilian contractor in employee relations.

Looking forward to developing cohesive relationships with the ADRE team and providing superior service to the public.



Jim Ledwith
SENIOR INVESTIGATOR

Retired Police Officer with 20 years with the Tucson Police Department. Public Assistance Fraud Investigator for 13-years with the State of Minnesota Hennepin County Human Services Public Health Department



Dan Jones
AUDITOR

Dan joined ADRE in March 2013. Held various positions as Director, Senior Investigator and President conducting investigations, forensic analysis of financial and business issues, and providing consulting services to companies and financial institutions. Dan is a Certified Fraud Examiner.

When not serving the people of Arizona, Dan can be found pursuing his passion for golf.

DIALOG

The Periodic Bulletin from the Arizona Department of Real Estate

An official publication of the State of Arizona

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



The ADRE Mission

The purpose of the department is to protect the public interest through licensure and regulation of the real estate profession