

**Official Publication of the NJ Real Estate Commission  
Department of Banking and Insurance  
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**Summer, 1997**

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*The Commission Strongly Urges You  
to Provide Copies of The REC News  
to ALL licensees and Instructors..*




# **New Jersey Real Estate Commission News**

**Summer, 1997**



## FROM THE DIRECTOR'S DESK

 **A NOTE OF THANKS!** All too often the Commission staff gets caught up in the day-to-day routine of handling disciplinary actions and problems caused by unscrupulous and unknowledgeable licensees. Given the constant flow of work through the "pipeline", it is easy to forget the vast majority of honest, professional individuals who make it their business to know the regulatory requirements under which they operate and to conduct themselves in an ethical manner. The purpose of this article is to address this situation.

The Commissioners and staff wish to commend and thank those thousands of licensees who, every day, comport themselves honestly, remain current on applicable laws and rules, and conduct their business in accordance with the requirements imposed by those authorities. You deserve to be recognized and commended for your professionalism and integrity. Although you may not always hear it or read it here, rest assured you are appreciated by the Commission and the staff.

Finally, remember that we are here to help you do your jobs well. If you need information or guidance on an education or licensing issue or have a question on a statute or rule, call us at (609) 292-8280 or write to us at New Jersey Real Estate Commission, P.O. Box 328, Trenton, New Jersey 08625-0328. You can also get more general information by accessing our homepage on the web at <http://www.naic.org/nj/realcom.htm>, or E-Mail me at [inndeck@superlink.net](mailto:inndeck@superlink.net).

We are actively monitoring the internet to make sure that your advertisements are complying with all of our Rules and Regulations. If you have any questions about using the internet please fax us your ads or questions at 609-292-0944 and we will advise you if we see any violations. Remember, advertising on the internet is the same as advertising in any other medium.

As this issue goes to press we see summer winding down and it will soon be time to have another Director's Task Force meeting to discuss several topics which are important to all of us. Also, as you read this I will have completed eighteen months as Executive Director and I want to take this opportunity to thank you for all your letters and phone calls expressing your concerns, advice, thanking us, and in general making your opinions known. Please keep writing and calling as it is very important and we gain a lot from your communications. We are always ready to attend trade association meetings to discuss new rule changes or in general to just listen to your problems.

Finally, I have always kept an open door policy so, if you're in the area, stop in to see me or call me at 609-292-8280.



## COMMISSION INVESTIGATORS VISIT THE SHORE

No, it wasn't a day at the beach. Rather, between July 7 and July 18, 1997 Commission investigators visited brokers' offices along the shoreline from Monmouth through Cape May Counties. The investigators analyzed the handling of security deposits and rental receipts by licensees in an effort to confirm that monies were being properly handled, maintained and disbursed. The combination of a high demand for seasonal rentals and prior instances of commingling and misappropriation by a small number of shore-area brokers precipitated the decision to implement this pro-active enforcement action.

Offices whose records (or lack thereof) indicated actual or potential problems have been or will be revisited for a complete audit of their accounts.

**It must be noted that the majority of the firms visited were found to be in compliance with the legal requirements on recordkeeping and maintenance of the funds of others.**



## **CAMILLE MAAS WELCOMED AS NEW COMMISSIONER**

**On May 13, 1997 Camille Maas joined the Commission as a broker member. Ms. Maas is the broker-owner of Centre Realty of Nutley, located at 473 Centre Street, Nutley, New Jersey. She has been a New Jersey Real Estate licensee for twenty-five years and the owner of Centre Realty of Nutley for the last twenty-one years. Ms. Maas was appointed to fill a vacancy created when former Commissioner Edward Runner completed his last term. Mr. Runner served as a Commissioner from 1984 through 1990 and again from 1994 through May, 1997.**

**Ms. Maas comes to the Commission with a long history of activism in the Bloomfield, Belleville, Nutley and Glen Ridge Board of Realtors. She has been one of its Directors since 1979 and is a past president of that Board. She is also a past winner of the Realtor Community Service Award and the Realtor Active in Politics (RAP) Award. She has also chaired the Board's Professional Standards, Grievance, Multiple Listing, Membership, Community Service and Political Affairs Committees.**

**Ms. Maas has also been active in civic endeavors, having served as a member of the United States Selective Service Board from 1988 through the present. She is also a past member of the Essex County Planning Board.**

**Clearly, Camille Maas brings to the Commission a wealth of knowledge and experience. She is a sterling example of a successful independent broker-entrepreneur who will prove to be a valuable addition to the Commission. The other Commissioners and staff are extremely pleased to welcome Camille Maas as a member of the Commission. All New Jersey licensees can rest assured that they are well represented by her presence on the Commission.**



## **SURPRISE. IT IS THE REC CALLING!**

**Do you know what to do when an investigator of the New Jersey Real Estate Commission makes a routine inspection of your office? Do you know what they will be looking for - and will you have all of your documentation in order?**

**The offices of all New Jersey brokers are subject to examination by the Commission. To be prepared for the day when a Commission investigator arrives to inspect your offices, you should always have the following items on hand and in good order:**

**All licenses;**

**Sample business cards of all brokers, broker-salespersons, and salespersons;**

**Sample copies of recent advertising including display ads, open house ads, classified, etc;**

**Employment/termination agreements for all licensees, fully executed by the broker and licensee;**

**All records pertaining to your Escrow/Trust accounts, including all checkbooks, canceled checks, deposit**

**tickets, bank statements for at least the last 3 years, a *comprehensive, current* and legible escrow ledger and reconciliations for the last four quarters. With the exception of the ledger and the reconciliations, the same records should be available with respect to your general (operating) account.**

**In addition, all files on pending listings, pending settlements and recently closed transactions should be on hand as well as interest bearing accounts (master or passbook).**



## **Tips on How to Avoid Problems**

- **Keep a ledger book for all trust accounts.**
- **Maintain a running balance in all ledgers at all times.**
- **Deposit all checks received within five business days.**
- **Be sure to indicate the township location for all properties advertised in your ads.**
- **Have immediately available signed employment contracts for all part-time and full-time licensees in your office.**
- **Post the name of the firm's real estate broker on the door or front of the building.**
- **Reconcile all trust accounts at least every three months.**
- **Pay all commissions within ten days of receipt of settlement funds.**
- **Be forthcoming and cooperative with REC inspection personnel.**
- **NEVER CO-MINGLE FUNDS.**

**Commission inspection teams make random, unannounced visits to real estate firms, both large and small, throughout the state. They arrive equipped with subpoenas to secure access to all required records. The best way to emerge from an inspection visit unscathed (and unfined!) is to follow the Commission's rules to the letter, answer all inquiries truthfully, and always have available organized, up-to-date records, including those indicated above.**

**[Editor's Note: The substance of this article first appeared in the February, 1994 issue of the Camden County Association of REALTORS® Publication.]**



## **COMMISSION ADOPTS AMENDMENTS ON LICENSEES' DISCLOSURE OBLIGATIONS**

**On July 7, 1997 amendments to Commission rule N.J.A.C. 11:5-1.23 went into effect. These revisions clarify and**

define what had previously been a very general standard regarding the obligations of licensees to determine and disclose information about properties they market.

As adopted, the amendments contain several revisions made to the original proposal. These include a definition of the term "material" and text specifying that a "reasonable effort" to ascertain material information on a property shall include at least a visual inspection and inquiries to the seller. Another revision is the inclusion of the list of conditions enumerated in the New Residential Construction Off-Site Conditions Disclosure Act which are required by that law to be reported to municipalities.

The amendments as adopted also state that the term "social conditions" includes, but is not limited to neighborhood conditions such as noisy dogs or neighbors and other conditions which do not affect the physical condition of the property. The amended rule provides that such information is not considered material information which concerns the physical condition of a property and that licensees are not required to ascertain it, nor to disclose such information to a purchaser or tenant in the absence of an inquiry. Finally, revisions were made to the provisions in the proposed amendments addressing Megan's Law information. These were necessary in order to conform the text of the adopted rule with the restrictions imposed by N.J.S.A. 2C:7-6 through 11 upon the dissemination of such information.

The full text of the amendments as adopted was mailed to all brokers and branch offices in early July. Additional copies of the amended rule sections can be obtained by mailing a self-addressed, stamped envelope with the words "Rule 1.23 Amendments" on it to:

New Jersey Real Estate Commission  
P.O. Box 328  
Trenton, New Jersey 08625-0328



## **DISCLOSURE OBLIGATIONS RE: HISTORIC PROPERTIES**

In recent months the Commission staff has received inquiries from municipal officials and practitioners in several urban centers. The inquiries have raised the issue of what obligations licensees have to disclose to prospective purchasers that a listed property is within a Nationally Registered Historic District. One of the effects of being within such a district is that substantial restrictions are placed upon the owner's freedom to renovate and/or expand the property. For instance, it might be contrary to a local ordinance for an owner to place aluminum siding on the property or add a sunporch designed in a certain way.

The Commission's recent adoption of amendments to N.J.A.C 11:5-1.23 is discussed elsewhere in this edition. It is clear that legal restrictions on what an owner can do to the structure(s) on their property is material information affecting the physical condition of the property. Therefore, pursuant to Rule 1.23 as amended licensees must make a reasonable effort to ascertain if a listed property is within a registered historic district and, if so, disclose that information to purchasers. Licensees should also disclose that the property's being situated in such a district means that there may be significant restrictions on what an owner can do to the structure(s) on the property.



## **ATTENTION RESIDENTIAL BROKERS!**



### **DISCLOSED DUAL AGENCY ALERT!**

If your firm engages in disclosed dual agency you must have the **WRITTEN INFORMED CONSENT** of the parties to the transaction to do so. Pursuant to Commission Rule N.J.A.C. 11:5-1.43 the writing must be signed by the parties and must disclose to the consenting party all material facts which might reasonably impact on that party's decision to authorize dual agency, including the extent of the conflicts of interest involved and how each party will receive less than full agency representation. The rule also provides that "Informed consent is not acquired through distribution of the (CIS) alone. At a minimum, licensees must also secure the signature of the party to a separate writing which confirms the party's informed consent to the licensee acting as a Disclosed Dual Agent for that party. Such a writing may be a part of, or an attachment to a brokerage agreement." (Emphasis added.)

The Commission staff has received disturbing indications that many licensees are not complying with these requirements. Rather, these licensees are distributing the CIS to their firm's dual agency clients and having these clients sign brokerage agreements on which an entry has been made indicating that the firm will act as a disclosed dual agent if the opportunity arises. The brokerage agreements contain no other text explaining what dual agency means. The licensees are then erroneously concluding that based upon these actions they have fulfilled the requirements of Rule 1.43(b)

In reality they have not done so because such a brokerage agreement is not "a writing which confirms the party's informed consent" to their acting as a disclosed dual agent as that phrase is used in N.J.A.C. 11:5-1.43(b).

Brokers whose office policies on disclosed dual agency do not include compliance with this requirement should take immediate action to revise that policy. Regardless of what the office policy requires, individual licensees operating as disclosed dual agents should be supervised to ensure that the rule's requirements are being met.

In addition to being held accountable for violations by the Commission, the exposure to civil liability created by failures to comply with certain Commission rules may be substantial. This is particularly true in an area as sensitive as disclosed dual agency.



## **BROKER ALERT - UNREASONABLE DELAYS IN TRANSFERRING LICENSES ARE ILLEGAL**

In recent months the Commission staff has received inquiries and complaints about the inordinate amount of time it takes some brokers to process license transfer requests from salespersons formerly in their employ. All brokers should be aware of the statutory provisions and Commission Rules applicable to the license transfer process.

N.J.S.A. 45:15-14 provides, in pertinent part, "Upon the issuance of a written notice of termination by a broker or his authorized representative, such employers shall within five business days of the effective date of the termination or resignation, either: a. Deliver or send by registered mail to the Commission such real estate licensee's license and at the same time send a written communication to such licensee...advising him that his

license has been delivered to the Commission...; or b. Deliver to the departing licensee and the Commission any other materials as the Commission may prescribe by regulation to accomplish the transfer of the licensee to another employing broker." Commission Rule N.J.A.C. 11:5-1.31 is entitled "Expediting of License Issuing and Transfer Procedures." Subsection (b) of that Rule provides "In cases where a licensee who is transferring from one broker to another requests that their current broker deliver their license to them,...the license shall be so delivered, provided that: 1. The rear of the license certificate is signed and dated by the terminating broker...; 2. At the time of the delivery of the license to the departing licensee, the termination confirmation section of the license...has been completed, signed and retained by the terminating broker; and 3. Within five business days of the delivery of the license to the departing licensee, the terminating broker shall mail to the Commission the completed and signed termination confirmation section of the license and send a copy of it to the departing licensee at their last known residence."

The Commission staff construes these authorities as requiring brokers to supply to those licensees who request them their licenses endorsed for termination within five business days of the effective date of the termination or resignation of the departing licensee. Brokers who fail to adhere to this statutory standard will be subject to sanctions by the Commission for violations of N.J.S.A. 45:15-14.



## POINTS TO REMEMBER WHEN THINKING ABOUT LEAD PAINT DISCLOSURES

As all licensees should be aware, since the end of 1996 Federal rules have been in effect requiring sellers and lessors of residential properties constructed prior to 1978 to disclose known lead-based paint and lead-based paint hazards in their properties. The rules also require that the EPA/HUD pamphlet entitled "Protect Your Family From Lead in Your Home" be provided to buyers and renters. Finally, the rules require that all sales contracts and leases on affected properties include certain disclosure and acknowledgement statements, and that sales contracts include a ten day lead-based paint inspection/risk assessment clause.

Licensees should remember that these Federal requirements only establish the minimum actions to be taken in transactions involving properties subject to the rules. Licensees, particularly those operating as buyer-brokers or disclosed dual agents, should consider how the interests of their clients might be protected even if the rules do not require specific actions by the seller or the licensees involved in the transaction. For example, the disclosure requirements imposed by the rules would not apply to a house built in early 1978. However, the Commission has been advised by persons knowledgeable in this area that builders and contractors continued to use lead-based paint in residential properties for an indefinite period of time after January 1, 1978. Therefore, if a buyer-broker's client is contemplating purchasing a property built in early 1978, it might be advisable for the buyer-broker to include in a contract they prepare on such a property a lead-based paint inspection clause. At a minimum, buyer-brokers involved in such transactions should discuss the inclusion of such a clause with their buyer-clients. Those clients who do not have small children (who are considered the parties most at risk from exposure to lead-based paint) might wish to forgo the inspection. However, many families with small children might want a lead-based paint inspection performed before proceeding to purchase a property.

Licensees acting as buyer-brokers and disclosed dual agents should be cognizant of their fiduciary obligations to their buyer-clients. One of the fiduciary duties imposed by agency law is the duty to exercise due diligence. In certain cases, i.e. the one described above, to fulfill that duty licensees may need to do more than take the minimum actions necessary to comply with regulatory requirements like those established to address the hazards posed by lead-based paint in residential properties.





## **ANNOUNCEMENT RADON VIDEO**

**The Eastern Regional Radon Training Center (ERRTC), in partnership with the New Jersey Department of Environmental Protection, has completed production of a video entitled "Radon and Your Real Estate Transactions in New Jersey". This project was funded through a grant by the U.S. Environmental Protection Agency.**

**This short instructional video is a valuable educational tool for schools and brokers licensed by the New Jersey Real Estate Commission. Copies have been forwarded to all New Jersey licensed instructors, all New Jersey licensed schools, and the New Jersey Association of Realtors.**

**If you are interested in receiving a free copy of this instructional real estate video, please call ERRTC at 908-445-2582. Requests for the video will be honored on a first come, first serve basis while supplies last.**



## **SETTING THE (CRIMINAL) RECORD STRAIGHT**

**The Commission recently revised a screening question used on all license applications and exam registration forms. The subject of the question is the applicant's criminal history, if any. Previously the question had asked whether, within the preceding five years, the applicant had been charged with or convicted of a criminal of disorderly persons offense and if they were presently on probation or parole. The revised question makes the same inquiries, but asks about the ten year period preceding the application.**

**This revision generated questions to the staff about the standards applicable to candidates for New Jersey real estate licenses. Several provisions in the license law provide guidance to the Commission and staff on these questions. N.J.S.A. 45:15-12.1 provides that: "No license shall be issued by the Commission to any person known by it to have been within five years theretofore, convicted of forgery, burglary, robbery, any theft offense other than shoplifting, criminal conspiracy to defraud, or other like offense or offenses." Many persons familiar with this statute mistakenly believe that it is the only provision in the license law which needs to be consulted when evaluating whether someone with a criminal conviction qualifies for licensure. That is not the case. This law provides that if a person has been convicted of a listed offense within the preceding five years they are not eligible for licensure. That does not mean that if a conviction occurred more than five years ago or was for another type of offense an applicant qualifies for a license.**

**N.J.S.A. 45:15-9 provides that applicants for licensure "shall furnish evidence of good moral character", and that "The Commission...may require such proof as it deems proper and in the public interest as to the honesty, trustworthiness, character and integrity of an applicant". It is this broader standard that empowers the Commission to scrutinize an applicant's entire criminal history, including convictions more than five years old and for offenses other than those specifically mentioned in N.J.S.A. 45:15-12.1. When applying this standard the Commission also considers the legislative intent underlying N.J.S.A. 45:15-19.1 and 19.2 which, respectively, mandate that the Commission revoke the license of a licensee convicted of an enumerated offense and empower the Commission to, in its discretion, suspend the license of a licensee who has been indicted for a listed offense.**

**Finally, it should be noted that shoplifting is only an exception to the mandatory disqualification and revocation provisions in N.J.S.A. 45:15-12.1 and 19.1, respectively. This does not mean that persons with shoplifting convictions automatically pass muster under the general criteria for licensure established in section 9 of the law. Clearly, recent or multiple shoplifting convictions raise serious questions about an applicant's character,**



**honesty, trustworthiness and integrity. Persons with such convictions in their background should, by no means, be considered qualified to hold a real estate license merely because they are not subject to disqualification pursuant to section 12.1 of the law.**



## **GUARANTY FUND STATUS REPORT**

**As of May 30, 1997 the Real Estate Guaranty Fund was in sound financial shape. The Fund's balance on that date was \$1,305,430. As of July 1, 1997 potential payouts based upon cases pending at that time totalled \$677,700. Thus a surplus of more than \$600,000 is on hand to cover future claims.**

**The monies in the fund are maintained by the State's Treasury Department. By law, when funds on hand exceed anticipated payouts the interest earned on the Fund can be used to pay for educational projects. Given the current financial health of the Fund, the Commission is exploring the possibility of updating the Statute and Rules Manual later this year and providing a copy of the revised manual to all licensed offices at no cost to brokers. Whether we will be able to do so will depend upon the cost of printing and mailing the updated manual and continued stability in the rate of claims filed against the Guaranty Fund.**

**Watch for further word on this project in our next edition.**



## **1997 Disciplinary Actions, January - June**

- Tina Wisniewski (salesperson) and Paul Vitola (salesperson), Monmouth County. Order Approving Settlement issued January 7, 1997 citing violations of N.J.S.A. 45:15-19.1 and 45:15-17(e) in that they were each convicted in municipal court of a disorderly persons offense arising out of or related to their activities as real estate salespersons. Real estate salespersons licenses suspended for 3 months, \$5,000 fine.**
- Goldstar Capital, Inc, Resorts Specialists, Inc. and Blair B. Davey (unlicensed companies and individual), Camden County. Order of Determination issued on March 11, 1997, finding unlicensed activity in violation of N.J.S.A. 45:15-1 and 45:15-3. Cease and desist order issued, and a one year period of ineligibility for licensure and a fine of \$5,000 imposed.**
- Richard Reich (formerly licensed salesperson), Middlesex County. Order Revoking License until further order of the Commission issued February 28, 1997 for violations of N.J.S.A. 45:15-19.1 and 45:15-17(e) based upon burglary conviction relating to his activities as a real estate salesperson.**
- Stanley Minkin (formerly licensed salesperson), Middlesex County. Order Approving Settlement issued June 10, 1997 citing violation N.J.S.A. 45:15-17(e), (l) and (s) relating to guilty plea to fraud offense and failure to report filing of criminal charges to the Commission. Eligibility for relicensure as a salesperson revoked for 5 years.**

- **Scott Apsaform** (formerly licensed salesperson), Bergen County. Order of Determination issued April 21 1997, finding violations of N.J.S.A. 45:15-12.1, 45:15-17(a), (e) and (n) relating to his having been convicted of a theft offense within the five year period prior to applying for licensure and making misrepresentations on his license application about that conviction. Ten year period of ineligibility to hold real estate salesperson's license, and \$10,000 fine imposed.
- **Ayman Mohamd**, (salesperson), Union County. Order of Determination issued May 13, 1997 finding violations of N.J.S.A. 45:15-17(e) and (l) relating to his failure as a New Jersey Insurance Producer licensee to remit premiums received from consumers to the New Jersey Personal Automobile Insurance Plan. One year revocation of salesperson's license, four years probation upon restoration of salesperson's license, ineligible to apply for broker's license for four years.
- **Urulee Watson**, (broker), Essex County. Order of Determination issued June 3, 1997 finding violations of N.J.S.A. 45:15-17(e) relating to his failure as a New Jersey Insurance Producer licensee to remit premiums received from consumers to the Prudential Commercial Insurance Company and his issuance of a check in payment of fines to the New Jersey Department of Insurance which was dishonored and not subsequently made good. Broker's license revoked for 5 years, ineligible to hold salesperson's license for 5 years.
- **Matthew Brown**, (formerly licensed broker), Bergen County. Order of Determination issued May 20, 1997 citing violations of N.J.S.A. 45:15-1, 45:15-3, 45:15-17(e), (l) and (o), and N.J.A.C. 11:5-1.23. Lifetime revocation of eligibility to hold a broker's license, 2 year period of ineligibility to hold a salesperson's license and \$1,000 fine imposed in addition to the fines previously imposed in Consent Order dated May 25, 1993.
- **Frank A Torres** (salesperson), **Rogelio Ruiz** (broker), **Signature Properties, Inc.** (broker), Hudson County. Order of Determination issued May 20, 1997 finding: as to Torres, violations of N.J.S.A. 45:15-1, 45:15-17(a)(e) and (n) involving unlicensed activity and misrepresentations to the Commission on a corporate broker license application. Salesperson's license revoked for 2 years and \$2,000 fine imposed; as to Ruiz, violations of N.J.S.A. 45:15-1, 45:15-17(a) and (e) involving incompetency and misrepresentations to the Commission on a broker license application. Broker's license revoked for 1 year, required to take 30 hour course on ethics and 30 hour course on office management; as to Signature Properties, violations of N.J.S.A. 45:15-1, 45:15-17(a), license revoked indefinitely.
- **Lal M. Pathan** (salesperson) and **Al-Madina Realty** (formerly licensed broker), Bergen County. Order of Determination issued June 17, 1997 citing violations of N.J.S.A. 45:15-1, 15-3, 15-17(a), (e) and (t) involving unlicensed activity, misrepresentations to the public and representing himself as a member of the National Association of Realtors when he was not a member of that organization. Salesperson's license revoked for 1 year, re-education and examination required prior to reinstatement and \$1,000 fine imposed.
- **Michael P. Federico** (broker), Cape May County. Order of Determination issued June 10, 1997 citing violations of N.J.S.A. 45:15-17(e) and N.J.A.C. 11:5-1.13 involving his failure to comply with a Commission subpoena and to make his records available for inspection by Commission investigators. Broker's license revoked until further Order of the Commission and \$2,000 fine imposed.
- **Elaine Sourlis** (broker) Monmouth County. Order Approving Settlement issued June 3, 1997 finding violations of N.J.S.A. 45:15-17(e) and (l) involving her entry of a guilty plea to a criminal fraud offense. Broker license surrendered with prejudice for 5 years.
- **James Neumerski** (salesperson), Camden County. Order of Determination issued June 17, 1997 citing violations of N.J.S.A. 45:15-17(c), (d), (e), (l), (m) and (s). The violations involved his pursuit of a flagrant and continued course of misrepresentation, accepting commissions from persons other than his employing broker, failing to pay over or account for commission monies paid to him, conduct constituting fraud and dishonest dealing, and failing to notify the Commission of the filing of criminal charges against him.

**Salesperson's license revoked for 10 years, \$7,500 fine imposed.**

- **Larry Ansell (broker), Michael Gohar (salesperson), Monmouth County. Order of Determination issued March 4, 1997, finding violations of N.J.S.A. 45:15-17(e) and (h) relating to their convictions for failing to pay sales and other state taxes incurred by a business unrelated to their activity as real estate licensees. The real estate licenses of both Ansell and Gohar were placed on probation for a term concurrent with their criminal probation.**
- **Gerald A. Dorman (salesperson), Paul J. Kahn (broker), Lee Group, Inc. Business Brokers (broker), Union County. Orders Approving Settlement entered March 25, 1997 reciting: as to Dorman, violations of N.J.S.A. 45:15-17(o) and N.J.A.C. 11:5-1.23 involving commingling escrow funds and failing to protect and promote the interests of their principals. Salesperson license revoked for 5 years, \$2,500 fine; as to Kahn, violations of N.J.S.A. 45:15-17(e) and N.J.A.C. 11:5-1.4 involving incompetency and failure to adequately supervise salesperson Dorman and oversee the escrow account of the corporate broker. Broker's license revoked for 5 years and \$500 fine imposed.**
- **Mary M. Beety (broker), Bergen County. Memorandum of Settlement dated February 7, 1997 reciting violations of N.J.S.A. 45:15-17(d) and (o) involving the commingling and misappropriation of escrow monies. Broker's license surrendered with prejudice for two years, ineligible to apply for salesperson's license for 5 months and \$5,000 fine imposed.**
- **Frank Hernandez, Jr. (broker), H & G Realty, Inc. (broker), Middlesex County. Consent Agreement to License Revocation dated March 26, 1997, citing violations of N.J.S.A. 45:15-17(e) and (o) involving commingling of escrow monies. Broker's license revoked for 10 years, eligible to hold salesperson's license after September 30, 1997 and \$5,000 fine imposed.**
- **James W. Smith, t/a Smith and Associates (broker), Essex County. Consent Agreement to License Revocation dated February 4, 1997, citing violations of N.J.S.A. 45:15-17(d) and (o) involving the commingling and misappropriation of escrow monies. Broker's license revoked for 5 years, ineligible to apply for salesperson's license for 2 years, \$5,000 fine imposed and ordered to make restitution of \$11,000.**
- **Janice Blocker (salesperson), Mercer County. Consent to License Revocation dated February 28, 1997 citing violations of N.J.S.A. 45:15-1, 45:15-3, 45:15-17(d) and (e) involving unlicensed activity and misappropriation of a rental security deposit. Salesperson's license revoked for 2 years, \$2,500 fine imposed and ordered to make restitution of \$1,275.**

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