

Not licensed to sell

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CASE STUDY 1

THE SITUATION

Mary Well became a real estate sales person in Virginia in 1999. She also was licensed in Maryland and the District of Columbia. Since May of 2014, Ms. Well has been affiliated with nine real estate firms.

On December 17, 2016, Ms. Well drafted an Exclusive Right to Represent Buyer Agreement with Mr. Do to purchase a house in the Falls Church, Virginia area. The agreement listed Ms. Well as the Buyer's Agent, and Wise Real Estate Company, LLC as the broker. On January 10, 2017, Mr. Do, as buyer, entered into a Residential Sales Contract with Mr. and Mrs. Cantz, as sellers. The sellers were represented by Best Properties, LLC, with William Drum as the Principal Broker. The contract included a Financing Contingency.

On February 1, 2017, Mr. and Ms. Cantz sent a notice of termination because Mr. Do failed to satisfy the Financing Contingency. On February 10, 2017, Mr. and Mrs. Cantz and Mr. Do all signed the Release of Sales Contract and Deposit.

On March 14, 2017, Mr. and Ms. Cantz and Mr. Do entered into a second contract for the purchase of the same property, with Ms. Well as the selling agent, and Mr. Drum as the listing agent. On April 13, 2017, Mr. and Mrs. Cantz and Mr. Do again executed a Release of Sales Contract and Deposit.

On July 7, 2017, William Drum, Principal Broker for Best Properties, LLC filed a written complaint against Ms. Well.

THE INVESTIGATION

Investigators learned that the principal broker of Excellent Realty, Inc. returned Ms. Well's license to the Board and her

license was placed on inactive status on June 6, 2016. They determined that the timeline clearly showed that Ms. Well was actively involved in licensed real estate activity after June 6, 2016. However, despite this, Ms. Well reported to investigators, "I didn't really start doing work in Virginia. I just reintroduced that contract back to the same broker with whom I had been working."

During the investigation, Ms. Well claimed that she believed her affiliation with Wise Real Estate Company, LLC began in August 2016. She believed that Jack Martin with Wise Real Estate Company, LLC was supposed to complete the license transfer and once her license came in she could start to work. Ms. Well stated that, "she checked for her license for a couple of months but never got it, so she started work anyway."

Investigators also learned that she never turned in any contracts to Wise Real Estate Company, LLC. During the investigation, Mr. Martin stated that Wise Real Estate Company, LLC did not receive copies of any contracts from Ms. Well. Ms. Well stated that she did not do so because "we all walked around with our contracts until they were completed ratified and we had not gotten to the part where the lender said we could close."

THE RESULT

The Board determined that Ms. Well failed to safeguard the interests of the public by practicing real estate with an inactive license. She exercised blatant disregard toward the Board's regulations and responsibilities of a licensee.

The Board required Ms. Well to pay a monetary penalty of \$2,500 and revoked her license.

Learned

CASE STUDY 2

THE SITUATION

In February 2007, James Maude was issued a real estate broker license.

On July 16, 2016, in the United State District Court, Eastern District of Virginia, Alexandria Division, Mr. Maude was convicted of two felonies, Aggravated Identify Theft and Aiding and Assisting in Preparation of False Return. The felonies pertained to his conduct between 2011 and 2014 when he was engaged in tax preparation services. Mr. Maude modified his clients' tax returns to include false information and artificially inflate their income tax refunds. He then took a portion of each income tax refund and used it for his own benefit. Mr. Maude pleaded guilty and signed a plea agreement where he was sentenced to fourteen months in prison on each charge to run concurrently. He was also ordered to serve one year of probation upon his release.

On August 22, 2016, Mr. Maude submitted a Criminal Conviction Reporting Form to the Department of Professional and Occupational Regulation.

THE INVESTIGATION

In April 2017, investigators reviewed the plea agreement for the charges brought against him and requested additional supplemental documentation from Mr. Maude during the Informal Fact-Finding Conference.

During the investigation, Mr. Maude refuted facts stipulated in the Statement of Facts attached to the plea agreement. He claimed that there was an employee who perpetrated the fraudulent tax returns even though there was no mention of any co-conspirators. He also alleged that he

could not have submitted one of his client's fraudulent tax returns because he was out of the country on that date. Investigators provided him with the opportunity to submit documentations corroborating that he was out of the country, but Mr. Maude failed to submit documentation of his travel dates.

THE RESULT

The Board revoked Mr. Maude's license. It determined that through his conviction of multiple felonies, he had committed actions constituting unworthy and incompetent conduct. Based on the record, it appeared that allowing Mr. Maude to remain a licensee of the Board would offer him an opportunity to engage in further criminal activity of the same type, and his actions demonstrated that he lacks sufficient character to discharge the responsibilities of a real estate licensee. In addition, although Mr. Maude had not committed a criminal act in several years, he had only been out of prison for a few months, making it difficult to determine that he had rehabilitated himself. ▲