

Earnest Money Deposit

This case study highlights the importance of following the real estate regulations when holding earnest money deposits.

THE SITUATION:

On June 7, 2019, the Board received a written complaint from Samantha Hogue regarding Marco Usamov.

Mr. Usamov was issued a real estate salesperson license on August 18, 1997. On February 17, 2002, Mr. Usamov received his Broker License and became the Principal Broker for Usamov International Incorporated.

THE INVESTIGATION:

Investigators learned that on March 23, 2019, Mr. Usamov was contacted by Dominique Perez to prepare an offer for her to purchase 6178 Business Way, McLean, VA 22101 from Ms. Hogue, as seller. Ms. Perez and Ms. Hogue had already agreed upon their terms, and Ms. Perez told Mr. Usamov that there were not contingencies.

On March 28, 2019, Mr. Usamov met with Ms. Perez and Ms. Hogue after preparing the offer, based on the terms Ms. Perez had reported. Mr. Usamov told investigators that Ms. Perez and Ms. Hogue declined representation for the transaction. He said that at the meeting he reviewed the full offer with the parties to the contract. Ms. Perez and Ms. Hogue entered into the Residential Contract of Purchase that same day. The contract required a \$5,000 earnest money deposit. Settlement was scheduled for April 15, 2019.

In reviewing the contract, investigators noted that Mr. Usamov failed to identify Usamov International Incorporated as the Escrow Agent. He told investigators that he did not know why he did not complete the deposit holder information in the Residential Contract of Purchase.

On March 30, 2019, Ms. Hogue wired the \$5,000 earnest money deposit into the business operating account of Usamov International Incorporated. Mr. Usamov told investigators that the earnest money deposit was wired into the firm's business account because the funds were coming from an international account.

Mr. Usamov stated that he wrote a check to transfer the funds to the firm's escrow account on April 2, 2019; however, he went on vacation later that day and forgot about the check. He deposited the \$5,000 earnest money deposit into the firm's escrow account on April 22, 2019. He failed to deposit the earnest money deposit within five business banking days of contract ratification.

The contract failed to close because Ms. Perez was unable to secure the funds to go to closing.

THE RESULT:

The Board determined that Mr. Usamov violated regulations pertaining to maintenance and management of escrow funds by failing to identify the Escrow Agent in the Contract, comingling the funds with his own, and failing to deposit the earnest money deposit within five business banking days of the contract ratification.

The Board issued a fine of \$2,200 and required Mr. Usamov to complete four hours of in-person education pertaining to Real Estate Contracts, four hours of in-person education pertaining to Broker Management and Supervision, and three hours of in-person education pertaining to Escrow Management.