

Reporting Disciplinary Action

This case study highlights the importance of reporting disciplinary action taken against a licensee who holds real estate licenses in multiple states to the real estate board in a timely manner.

THE SITUATION:

On January 10, 2018, the Department of Professional and Occupational Regulation received a Disciplinary Action Reporting Form from real estate broker, Ms. Krista Jennings, indicating disciplinary action taken by the State of California Bureau of Real Estate.

Ms. Jennings obtained her Virginia Real Estate license on June 3, 2012, and is an active real estate broker with U.S.A. Real Estate.

THE INVESTIGATION:

Investigators learned that Ms. Jennings obtained her California Broker license in November 2008. In August 2016, the California Board issued a citation to Ms. Jennings for three violations of the California Real Estate law. She was issued a fine of \$2,000, which she paid, and her licensee remained active following the violations. The violations pertained to escrow funds, including comingling broker owned funds with escrow funds.

Ms. Jennings's initial Disciplinary Action Reporting Form to the Board stated:

In August 2016 I received a citation from the State of California. California has a "cite and fine" system which is not public record. At that point I believed that because the violation was not a public record; it did not have to be reported. I have changed that position and the purpose of this correspondence is to report that violation to you now.

Ms. Jennings told investigators that she holds real estate licenses in 20 different states. She did not think she had to report this type of disciplinary action to the Board, because the violation was not public record. She decided to report the disciplinary action when another state requested the information during a license renewal process.

THE RESULT:

The Board determined that Ms. Jennings's real estate license in California was the subject of discipline and that she failed to inform the board in writing within 30 days of a disciplinary action. The Board issued a fine of \$800.