



BROKER SUPERVISION

This case highlights the importance of broker supervision regardless of the size of the firm. It is important for brokers to maintain appropriate records, and know the activities of their agents. While this task may seem particularly important when a brokerage firm has multiple salespeople, it is required by the regulations regardless of the size of the firm.

THE SITUATION:

In February 2010, Ms. Rebecca Jenkins was issued a real estate principal broker license. She began to operate her own firm, Realty By Rebecca, in March 2012. Realty By Rebecca had only one salesperson associated with the firm, Juan Brones. During a review of documents pertaining to a separate complaint, investigators noted that Ms. Rebecca Jenkins, as a principal broker, may not have provided adequate supervision in maintaining written procedures and policies covering all content areas identified by the Board, failed to maintain records, failed to keep complete and accurate financial records, and failed to take reasonable action after becoming aware of a violation against a licensed salesperson.

The investigators made a request to docket a new file against Ms. Jenkins.

THE INVESTIGATION:

Investigators noted that in November 2016, Mr. Andrew Fellows entered into an Exclusive Authorization to Sell agreement ("Listing Agreement") with Realty By Rebecca to sell a house located at 123 West Street, Hampton Roads, Virginia. The Listing Agreement began on November 1, 2016, and expired April 30, 2017.

On April 25, 2017, Mr. Fellows, as landlord, entered into a Residential Lease to rent the same property beginning on June 1, 2017. The lease specified Realty By Rebecca as the agent for the landlord and was signed by Mr. Brones. Almost a year later, Mr. Fellows, as seller, entered into a Residential Contract of Purchase for the sale of the same property with Ms. Lindsey Cuff as buyer. The contract was ratified on May 15, 2018, and closed on June 21, 2018. Realty By Rebecca was listed as both the listing and selling firm. Mr. Brones was listed as representing both parties.

The investigators found that Ms. Jenkins did not obtain written brokerage agreements with Mr. Fellows for either the lease or the sale of the property, nor did Ms. Jenkins obtain a brokerage agreement with Ms. Cuff for the purchase of the subject property.

During an interview, Ms. Jenkins acknowledged that brokerage agreements were never obtained from Mr. Fellows nor Ms. Cuff. She stated that while “obviously there are missing documents” in the file, there was a valid contract which “seemed to be enough.” Ms. Jenkins also stated that she had spoken to Mr. Brones about the missing paperwork and he had indicated that a current brokerage agreement existed. Ms. Jenkins, however, did not review the file and stated that “the ball was dropped.”

THE RESULT:

The Board determined that Ms. Jenkins failed to provide reasonable and adequate supervision and ensure brokerage services were being carried out competently by a licensee of his firm. The Board issued her a fine of \$750 and instructed her to complete at least eight classroom hours of Board-approved continuing education pertaining to Broker Management and Supervision.

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