



DISCLOSURE OF LICENSEE STATUS

This case study highlights the importance of making the necessary disclosures with regards to your real estate license status, and making sure that all agents in your firm understand when this disclosure must be made. Despite not actively listing real estate in over 20 years, this agent was still a licensed Virginia real estate agent and needed to adhere to the applicable Virginia laws and regulations.

THE SITUATION:

On August 1, 1983, Anna Kelley was issued a real estate salesperson license. On March 1, 1989, Ms. Hobbs' license was upgraded to a broker license. On May 13, 1993, Ms. Hobbs was issued a sole proprietor license.

In 2018, Ms. Kelley decided to sell her house in Richmond, Virginia, and selected Kathleen Finnis of the Hill and Harkey Realty Company to represent her. The Multiple Listing Service listing for the property disclosed Ms. Kelley's ownership interest with the subject property as "Owner Agent."

The Guthries purchased the house in July 2018 and later submitted a written complaint to the Department of Professional and Occupational Regulation against Ms. Kelley because they were not made aware of Ms. Kelley's ownership interest until after signing the purchase agreement.

THE INVESTIGATION:

Investigators learned that Ms. Kelley manages some rentals and generates a small income from referral fees when her children purchase property. She stated that she has not listed a property in over 20 years.

The Multiple Listing Service listing for Ms. Kelley's house disclosed Ms. Kelley's ownership interest as "owner agent." In addition, during showings, Ms. Kelley reported that when agents came through the home for showings they "knew that there was a placard that said this owner is a licensed real estate broker."

Ms. Finnis presented Ms. Kelley with an offer to purchase from Stephanie and Jessie Guthrie. The offer had been prepared by Lauren Michele as the designated agent, also with Hill and Harkey Realty Company, to represent the buyers. Paragraph 30(b) of the Residential Contract of Purchase provided space for a real estate licensee to disclose his or her licensee status.

Ms. Kelley reviewed the offer and noted that the offer did not contain a written disclosure indicating that she is a licensed real estate agent. She reported to investigators that she asked Ms. Finnis if there should be a new contract. Ms. Finnis told her to sign the contract and that there would be an amendment to disclose Ms. Kelley's status.

On June 13, 2018, the Guthries and Ms. Kelley entered into a Residential Contract of Purchase for Ms. Kelley's home. On July 2, 2018, the Guthrie's signed an Amendment to the Residential Contract of Purchase acknowledging that Ms. Kelley is a licensed real estate agent in the state of Virginia.

THE RESULT:

The Board determined that Ms. Kelley failed to disclose in writing her ownership interest with the property to the buyers upon having a substantive discussion about a specific property in violation of 18 VAC 135-20-210. Although she was clearly aware of the regulation, the Board determined that she was pressured into signing the offer, which it considered a mitigating circumstance. The Board issued a fine of \$150.

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