



MISREPRESENTATION IN ADVERTISING

“WHAT’S IN A NAME?”

This case study highlights the importance of accuracy in your real estate advertisements. When real estate licensees and brokers think about accuracy we usually hear about the importance of accurately describing the property or facts related to the transaction. This Virginia Real Estate Board case illustrates the importance of accurately identifying your role in the transaction.

THE SITUATION:

Alexis Lipkin was issued a real estate salesperson license in 2005, where he was affiliated with Excellent Realty, Inc., a brokerage firm.

On December 1, 2017, Mr. Lipkin ran the following advertisement in the *Real Estate News Journal*, where he identified himself as a Principal Commercial Broker:

The advertisement is a white rectangular box with a blue border. The text inside reads:

Excellence Realty, Inc.
Announces that it has successfully leased the following property
10,000 SF of Business Space
to
Boats, Inc.

Alexis Lipkin
Principal Commercial Broker
Represented the Building Owner in this Transaction
333-444-5555
Alexis.lipkin@contactme.com

THE INVESTIGATION:

Investigators learned that in addition to serving as a real estate salesperson, Mr. Lipkin was the manager and president of BizBrokers, LLC in Virginia. BizBrokers, LLC provided merger and acquisition services for organizations that wish to sell their businesses. In his role, Mr. Lipkin would serve as business broker by advising the business and assisting with negotiations between the buyer and the business owner for the sale of the business.

However, in this transaction, Mr. Lipkin confirmed that his role was as a real estate salesperson and not as a real estate broker. Investigators confirmed that he did not have a brokers' license and that he was not acting as a business advisor in this transaction.

Mr. Lipkin reported that he was very busy at the time of the transaction and did not notice the use of Principal Commercial Broker and admitted that the advertisement lead people to believe he was a broker of a real estate firm. He admitted that he made the error and did not have an excuse for it.

THE RESULT:

The Board determined that Mr. Lipkin knowingly made a material misrepresentation in the advertisement by identifying himself as a Principal Commercial Broker in violation of 18 VAC 135-20-300. The Board issued a fine of \$500.

Published February 2019