



## FORGING TOO FAR AHEAD

In this case, a broker signed her clients' name to multiple documents, exceeding the scope of her authority and engaging in fraudulent activity. Brokers need to ensure that they are acting within the scope of their agency.

### THE SITUATION:

On September 5, 2006, Ms. Jane Krakowski was issued a Real Estate salesperson license. She then obtained her broker license on February 1, 2011.

On June 20, 2019, Richard and Corinne Perry (collectively "the Perrys"), as Seller, entered into a Virginia REALTORS® Exclusive Authorization to Seller Agreement with You First Realty, Inc. as the listing firm and Ms. Krakowski as the listing agent for the sale of their home located in Fredericksburg, Virginia. The listing agreement was to expire at midnight on February 29, 2020.

On March 15, 2020, the Board received a written complaint from Teresa Lynch, managing broker for You First Realty, Inc. regarding Ms. Krakowski.

### THE INVESTIGATION:

Investigators learned that on February 20, 2020, Ms. Krakowski created a Listing Renewal Price Change Addendum using the Dotloop software. The addendum extended the listing agreement until June 30, 2020. The Perrys told investigators that Ms. Krakowski had not contacted them regarding extending the listing agreement.

Ms. Krakowski told investigators that she was getting a lot of activity on the subject property and wanted to focus on keeping the momentum going. She signed for both Richard and Corinne Perry on the addendum. She also signed her own name. On February 22, 2020, Ms. Krakowski submitted the signed addendum to Mr. Taylor Kirchner, the Data Entry person for You First Realty, Inc. Mr. Kirchner processed the addendum and updated the Multiple Listing Services (MLS).

On February 27, 2020, Mr. Perry emailed Ms. Krakowski and stated that it would be best to let the listing expire on February 29, 2020. On March 7, 2020, Ms. Krakowski created a Release of Listing agreement on Dotloop, digitally signed her name to the release, and digitally shared the release with the Perrys. On March 8, 2020, Ms. Krakowski emailed Mr. Perry stating that she had shared the document through Dotloop for the Perrys to sign in order to get the listing removed from MLS.

Mr. Perry responded that no release was necessary because there was no longer an active listing agreement as it had expired on February 29, 2020. He stated, "We did not agree to or sign any renewal or extension of that agreement or to a new Exclusive Authorization to Sell Agreement."

Ms. Krakowski then contacted Ms. Lynch to ask about the need to get signatures for the release of the listing of the subject property in the MLS. Ms. Lynch confirmed that Ms. Krakowski needed a release signed. Ms. Krakowski did not tell Ms. Lynch that she had signed the Perrys' names to the addendum.

Ms. Krakowski signed both Richard Perry's and Corinne Perry's names on the Release. On March 10, 2020, Mr. Kirchner released the listing of the subject property in the MLS.

On March 11, 2020, Mr. Perry emailed Ms. Lynch requesting the MLS be updated to reflect that the listing of the subject property expired instead of reflecting that the listing was released. Ms. Lynch responded to Mr. Perry's email and stated, "you extended the listing agreement, and your request to remove the property from the market was sooner than the expiration date, so we have to say withdrawn in the MLS." She attached a copy of the addendum and the release.

Mr. Perry responded on March 12, 2020. His email stated:

*Dear Ms. Lynch:*

*You should know that neither I nor my wife have ever seen the Listing Renewal Price Change document that you sent us. Before your March 11 e-mail, no one ever sent us this Listing Renewal Price Change document and we never requested a listing renewal or a price change.*

*You should also know that my wife and I did not sign and date that document. Those are not our signatures or our handwriting.*



*You should also know that my wife and I never gave anyone permission to sign and date (either written, orally, or in any other manner) this Listing Renewal Price Change or any other document on our behalf.*

Ms. Krakowski told investigators that she signed the Perrys' names on the addendum without their permission or consent. She felt that it was just a clerical issue and was trying to get the paperwork completed to accommodate her clients. She also told investigators that she signed the Perrys' names on the release because she thought that this was the only way she could get the listing of the subject property released from MLS.

**THE RESULT:**

The Board determined that Ms. Krakowski engaged in improper, fraudulent, or dishonest conduct when she signed the Perrys' names on the addendum and release. The Board issued a fine of \$2,500 and revoked Ms. Krakowski's license.

*Published March 2021*