



## Failure to Safeguard the Public

In this case study, an agent takes funds that are supposed to be put into an escrow account and deposits them into her personal bank account without letting her broker know of her actions. Immediately upon learning of her actions, the Principal Broker reports the behavior to DPOR and returns her license, demonstrating her commitment to safeguarding the public and supervising the agents in her firm.

### THE SITUATION:

On November 4, 2020, the Board received a written complaint from Ms. Rosa Santiago, Principal Broker for Virginia Real Estate, Inc., regarding Amy Jost.

On February 11, 2012, Ms. Jost was issued a real estate salesperson license. She was a salesperson at Virginia Real Estate, Inc. from April 27, 2015, through November 4, 2020. On November 4, 2020, Ms. Santiago returned Ms. Jost's license to the Board.

### THE INVESTIGATION:

On September 26, 2020, Ms. Jost listed a property for sale for Jake and Winnifred Ritter (collectively, "the Ritters"). The Ritters' house went under contract quickly and was scheduled to close in 30 days. Ms. Jost knew that the Ritters wanted to build their next home, so they would need temporary housing for about a year. Ms. Jost was also the listing agent for a home owned by Mr. Adam Lokey. Mr. Lokey's home had been on the market for a while and was empty.

Ms. Jost contacted the Ritters and Mr. Lokey to propose the idea of Mr. Lokey renting his home to the Ritters. Both parties agreed.

On October 15, 2020, Ms. Jost executed a lease agreement between the Ritters and Mr. Lokey. The effective date of the lease was November 1, 2020. The rent was \$1,700 per month. The security deposit, to be held by Mr. Lokey, was \$3,400. The lease stated that the tenant could pay the security deposit in three monthly payments.

Ms. Jost told investigators that she told Mr. Lokey and the Ritters that she was not acting as a property manager and was facilitating this rental agreement to help them out.

On October 16, 2020, Ms. Ritter hand-delivered two checks to Ms. Jost toward the rent and security deposit. The two checks were in the amount of \$1,700.

Ms. Ritter told investigators that Ms. Jost told her to leave the payee blank on both checks. She reported that Ms. Jost said that she did not know how to spell Mr. Lokey's name and that she would write his name on the checks when she confirmed the spelling of his name.

Ms. Jost told investigators that she did not ask Ms. Ritter to leave the payee blank on the two checks. Ms. Jost stated that she asked Ms. Ritter to make the checks payable to her because Mr. Lokey wanted the money quickly. Ms. Jost reported that she was planning on depositing the checks into her personal bank account and sending the payments via Venmo, because a Venmo transaction would be quicker than mailing the checks to Mr. Lokey.

On October 16, 2020, both checks made payable to Ms. Jost were cashed or deposited into Ms. Jost's account. Ms. Jost told investigators that she did not send the two payments to Mr. Lokey immediately because Mr. Lokey thought the lease was effective on October 15, 2020, but it was actually effective on November 1, 2020. In addition, Ms. Ritter allegedly was considering cancelling the lease because Mr. Lokey's house was in poor condition. Instead of sending Mr. Lokey one Venmo payment for \$3,400, she sent four payments because either her Venmo account or Mr. Lokey's Venmo account has a limit as to how much money can be transferred. The money was transferred as follows:

On November 1, 2020, Ms. Jost sent Mr. Lokey a \$1,700 payment via Venmo.

On November 4, 2020, Ms. Jost sent "Lokey Productions", a company owned by Mr. Lokey, a \$1,000 payment via PayPal.

On November 10, 2020, Ms. Jost sent Mr. Lokey a \$400 payment via Venmo.

On November 13, 2020, Ms. Jost sent Mr. Lokey a \$300 payment via Venmo.

On November 4, 2020, Ms. Santiago received a text from Mr. Lokey stating that he had been working with Ms. Jost and that she had signed a lease to rent her home. He reported that Ms. Jost had told him that the tenants had given her their security deposits on October 16, 2020, and Mr. Lokey had asked her to mail the checks. Since that time, Mr. Lokey had only received one Venmo payment in the amount of \$1,700 for one month's rent. Mr. Lokey said that he was still owed another one and a half months' rent and a deposit. Mr. Lokey asked Ms. Santiago if she could assist with this. Ms. Santiago reported that Mr. Lokey stated that he had finally received the \$1,700 Venmo payment from Ms. Jost because he had told Ms. Jost he was going to change the locks because he had not yet received a payment.

Ms. Santiago immediately contacted Ms. Jost to ask about the situation. Ms. Jost told Ms. Santiago that she was trying to help Mr. Lokey and the Ritters, and she did not put her name or the firm's name on the lease.

Ms. Santiago reported that she did not have any knowledge of the lease until she received the text message from Mr. Lokey. Ms. Santiago stated that Virginia Real Estate, Inc. does not do any property management. In addition, she stated that all of the firm's agents know that escrows are held by the closing attorney, and that all agents at her brokerage have email signatures that contain language stating:

**NOTICE: Your Virginia Real Estate, Inc. Agent does not collect any money, for any reason, from clients.**

Ms. Jost told investigators that she was aware that Virginia Real Estate, Inc. does not do property management. She stated that she did not tell Ms. Santiago about the lease because she did not put her name or Virginia Real Estate, Inc.'s name on the lease and she was not paid any money for writing the lease.

**THE RESULT:**

The Board determined that Ms. Jost failed to safeguard the interests of the public by negotiating a rent payment and a security deposit without written authority; failing to remit funds to Mr. Lokey in a timely manner; and comingling funds meant for Mr. Lokey with her own funds. The board revoked Ms. Jost's license.

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