



Disclosure of Interest

This case examines a scenario where the agent fails to take necessary steps when renting out a property that she owns. It is important to note that in this case the brokerage had written policies regarding buying, selling or leasing real property and the broker was not found to be in violation of his supervision duties despite the violations of the agent.

THE SITUATION:

On August 21, 2021, the Department of Professional and Occupational Regulation received a written complaint from Julia Cruise regarding Debora Moss.

Ms. Moss was issued a real estate salesperson license in February 2018 and had been an agent with Awesome Realty, LLC since February 2018.

THE INVESTIGATION:

Investigators learned that Ms. Moss acquired a property located at 310 Main Street, Fredericksburg, Virginia ("Main Street") in August 2015. In November 2020, Ms. Moss entered into a Residential Lease Agreement with Ms. Cruise for Main Street. The lease did not contain a written disclosure indicating that Ms. Moss was a licensed real estate salesperson and owner of the property. Ms. Cruise stated that she did not know that Ms. Moss was a licensed real estate salesperson and owner of Main Street.

Mr. Juan Suez, Principal Broker for Awesome Realty, LLC, told investigators that he was not aware of the Lease for Main Street until after Ms. Cruise's complaint was received. He stated that Awesome Realty's policy requires a review of the lease by the broker when it is the agents' personal property. Awesome Realty's Policies and Procedures stated, in part:

Buying, Selling or Leasing Any Real Property. *If a real estate licensee buys, sells, or leases any real property, such licensee must disclose that they are a Virginia licensed salesperson or broker (as applicable) in the purchase or lease agreement. Each transaction must be reviewed by the principal*

broker prior to submittal to the other party in the transaction to ensure compliance with the disclosure requirement.

Ms. Cruise told investigators that in March 2021, Ms. Moss informed her that she needed to sell Main Street, but she would move her to another property. Ms. Cruise stated that Ms. Moss told her on March 10, 2021 that she needed to move out of the property by April 15, 2021. Ms. Cruise moved into a property located at 421 Magnolia Street, Fredericksburg, Virginia.

Investigators learned that 421 Magnolia Street was owned by Amelia Stevens. Ms. Moss told investigators that Ms. Stevens gave her permission to lease the Magnolia Street property, but she did not receive anything in writing from Ms. Stevens indicating that she received permission to lease the property.

On April 26, 2021, Ms. Moss told Ms. Cruise that she would need to move out of the property by May 31, 2021 because she was selling the property. On or about May 1, 2021, Ms. Moss told Ms. Cruise that she needed to move out of the Magnolia Street property by May 14, 2021 and gave her a 14 day notice. Ms. Cruise moved out on May 13, 2021. She told investigators, "There wasn't a lease for Magnolia Street. We had agreed that everything would transfer from the Main Street property. There was never an agreement or a discussion about me being month to month."

Ms. Moss told investigators that there was no second lease because Ms. Cruise became a month-to-month tenant.

THE RESULT:

The Board determined that Ms. Moss, as leasing agent, failed to disclose in writing that she was a licensed salesperson and the owner of Main Street, failed to execute a written brokerage agreement with Ms. Cruise, failed to inform her broker of the transaction, and failed to submit the lease to her broker. The Board required her to pay a fine of \$2,700 for the four violations and required her to take Board-approved Post-License education in the following areas: 3 hours pertaining to Agency; 6 hours pertaining to Real Estate Laws and Regulations; 6 hours pertaining to Contract Writing; and 3 hours pertaining to Ethics and Standards of Conduct.

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