



Improper Delivery

This case examines a scenario where the Property Manager did not timely provide documentation that was required by the agreement to one of the principals to the transaction. In this case, it is an employee of the broker who makes this error but as the broker is ultimately responsible, it is the broker who is found to be in violation of the regulations.

THE SITUATION:

On November 16, 2021, the Department of Professional and Occupational Regulation received a written complaint from Wayne Cardson regarding Valley Management, Inc. (“Valley Management”).

Valley Management was registered with the Virginia State Corporation Commission in September 1994, and Craig Valley is listed as the Director of the Corporation.

THE INVESTIGATION:

Investigators learned that Valley Management, Inc. was issued a Real Estate Firm license in October 1993, and had an expiration date in October 2023. Craig Valley is listed as the Principal Broker.

On May 4, 2014, Valley Management entered into a Property Management Agreement with Shay and Devon Paya to manage their property located at 1000 Memorial Highway, Fairfax, Virginia (“subject property”).

In September 2021, Wayne and Sherry Cardson entered into a Residential Lease with the Payas for the subject property with Valley Management as the Listing Company, and Capital Lease Management, Inc. representing the Cardsons.

The lease, in part, stated:

Within five (5) days after the beginning of Lease Term, Landlord shall submit a written report to tenant itemizing the condition of premises at occupancy, including the identification of any visible evidence of mold... This report shall be deemed correct unless tenant submits additional items in writing to Landlord within five (5) days after receipt of the report. If

Tenant does not object to any item on Landlord's move-in inspection report, then Tenant thereby agrees that the Landlord's move-in inspection report is deemed to be correct...

The Cardsons moved into the property on October 4, 2021, and completed the Virginia Residential Move-in Move-out Inspection Report. The Cardsons told investigators that there was no completed inspection report from Valley Management, and they did not receive a hardcopy via mail.

On October 7, 2021, the Cardsons emailed their completed Move-in Move-out Report to Jenny Ferris, Property Manager at Valley Management.

On October 14, 2021, Ms. Cardson emailed Ms. Ferris advising she had not yet received an inspection report.

On October 25, 2021, Ms. Ferris sent Ms. Cardson an email advising the inspection had been completed for the subject property. Ms. Ferris provided Ms. Cardson with a link to the inspection report in her email.

Ms. Ferris told investigators that she ensures a Welcome Packet is left at the homes for the tenants the night before the tenants move in. She stated that the Welcome Packet normally has a set of keys, her contact information, a check-in letter, and the inspection report. She stated that she told the Cardsons that she would email the link to SnapInspect so they could complete the inspection report, and that she subsequently did send that email but does not recall the exact date.

Mr. Valley stated that the physical inspection was completed prior to occupancy and that normally the inspection is left in a folder for the tenant at the property, however in this instance it was not left in the property. He stated that typically the inspection is done in SnapInspect and includes pictures and comments on the condition of the property.

Mr. Valley further stated that Ms. Ferris told him that she had sent a hard copy in the mail before sending the link to the Cardsons, but he could not confirm when or if that happened. He told investigators that he was aware of the time requirement for the inspection to be delivered to new tenants, and ultimately that he cannot prove that the Cardsons received the hard copy within the allotted five days.

THE RESULT:

The Board determined that Valley Management failed to make prompt delivery of documentation required by the lease to the Cardsons, a principal to a transaction. The Board ordered him to pay a fine of \$450 and did not require him to attend any additional education.

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