



Communication is Key

Allegations

- Violation of § 54.1-2132.A.4 of the Code of Virginia (Count 1)
- Violation of 18 VAC 135-20-260.11.g (Count 2)
- Violation of § 54.1-2131.A.4 of the Code of Virginia (Count 3)
- Violation of 18 VAC 135-20-310.2 (Count 4)

Facts

On April 2, buyer Matt Olson (“Olson”) and seller Jessie Chavez (“Chavez”) entered into a Purchase Agreement to buy property. Olson was represented by Austin Riley (“Riley”), a salesperson who works for Chop House Real Estate (“Chop House”), the Listing Firm. Chavez was represented by 755 Real Estate, LLC (“755”) as the Selling Firm. However, when preparing the contract, Riley inadvertently switched the Listing Firm and Selling Firm on the contract.

On May 8, Riley delivered the settlement check to Chop House’s business manager. The manager realized she did not have the contract for the transaction and requested it from Riley. Riley submitted the contract the next day. When Brian Snitker (“Snitker”), Principal Broker for Chop House, reviewed the contract, he noticed that the EMD for the contract had never been received. Riley stated that Olson told him he had mailed the EMD, but had apparently not done so. Riley stated that he wasn’t aware the EMD had not been received until he was told by Snitker, as both he and Olson had been on vacation during the deposit window.

Findings

The Real Estate Board found that for Count 1, Riley did not exercise ordinary care when completing the contract, even though there was ultimately no harm to the consumer. For Count 2, the Administrative Code requires that agents submit to the broker “in a timely manner . . . all contracts . . . for which the broker has oversight responsibility.” Riley did not comply. By failing to ensure that the EMD had been submitted, Riley also violated the duty of ordinary care established in Count 3 when he did not make reasonable efforts to ensure his client complied with the EMD deadline. Finally, because Riley did not make all parties aware that the EMD had not been received, he was in violation of the regulation in Count 4.

Sanctions

1. Count 1
 - a. Probation for six months
 - b. Fine of \$550
2. Count 2
 - a. Six hours of Board-approved PL education in Real Estate Law and Regulations, to be completed within six months
 - b. Monetary fine of \$500
3. Count 3
 - a. Probation for six months
 - b. Three hours of Board-approved PL Education in Escrow Requirements, to be completed within six months
 - c. Monetary fine of \$550
4. Count 4
 - a. Probation for six months
 - b. Monetary fine of \$600

Riley received an additional year of probation. During that time, Riley and his broker must provide quarterly reports to the Real Estate Board verifying that Riley is in compliance with all rules and regulations.

Published June 2024

