Duty to Provide Written Agreements to Broker

This case examines a scenario in which a real estate licensee acting affiliated with a brokerage firm failed to provide written agreements to her broker in a timely manner. Real estate salespersons can only perform licensed activities for others under the supervision of a licensed real estate broker. Accordingly, real estate salespersons must submit to their broker in a timely manner all contracts, representation agreements, leasing agreements, disclosures, and any other documents for which the broker has oversight responsibility.

The Situation:

On February 12, 2020, Linda Johnson was issued a real estate salesperson's license. Johnson's license was affiliated with The O'Neill Group with Jessica O'Neill as principal broker.

On May 2, 2023, Johnson entered into a property management agreement with owner Mike Murphy.

On July 9, 2023, Johnson executed a lease agreement with tenant Susan Smith on behalf of owner Mike Murphy.

On January 28, 2024, the Department of Professional and Occupational Regulation (DPOR) received a written complaint from principal broker Jessica O'Neill regarding Johnson.

The Facts:

Johnson entered into property management transactions and repeatedly failed to disclose those transactions to her broker, O'Neill. Email communications showed that Johnson acknowledged that she managed rental properties independently, collected rents, handled tenant matters, coordinated repairs, and pursued eviction proceedings without involving the brokerage. Johnson received compensation directly from clients rather than through her principal broker. Johnson repeatedly failed to provide accurate and timely information to her broker regarding the transactions conducted under the

brokerage's name. O'Neill only discovered these transactions through communications with attorneys and other parties.

The Result:

Johnson was found to have violated Virginia Real Estate Board (VREB) Regulation 18VAC135-20-260 for failing to submit to her broker in a timely manner all contracts, representation agreements, lease agreements, and other documents for which the broker has oversight responsibility. Additionally, Johnson was found to have violated 18VAC135-20-280 for accepting compensation for licensed activity from individuals other than her principal broker. Johnson was fined $10,450, was required to complete 15 hours of Board-approved post-license education to be completed within six months, and was placed on probation for a period of one year.

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