



VIRGINIA REAL ESTATE BOARD

VREB *SPEAKING*

www.dpor.virginia.gov

Spring 2008

Message from the Chair



Carol F. Clarke

Greetings to all real estate licensees in the Commonwealth! This is my first message as the newly elected Chair of the Real Estate Board. I welcome the opportunity to lead the VREB this year and hope that any licensee with questions, ideas or concerns will contact the Board. We welcome your input and suggestions and encourage you to contact us at 804-367-8526 or by e-mail at:

REBoard@dpor.virginia.gov.

As we go to press for this issue of *VREB Speaking*, the Board's new Regulations, dated April 1, 2008, have just gone into effect and are available on the Board's website at: http://www.dpor.virginia.gov/dporweb/reb_main.cfm.

The Board has established an on-going Regulatory Review Committee to better address issues that arise in the ever changing real estate practice. This Committee will continuously examine new trends affecting our business and adopt an on-going list of changes that should be made to the Board's Regulations. In between regulatory changes, the Board will adopt guidance documents to clarify key policy questions that arise, and we will share those documents with you through this newsletter.

The intent of this column will be to share thoughts and perspectives on the issues and cases we see most frequently at our meetings. The Board's primary goal is to protect the public safety and welfare by insuring that our licensees meet the Board's standards of practice.

As you know, improperly executed real estate contracts are the source of many problems. A few suggestions for clarification on contracts are: 1) Date and initial all changes; 2) Date and initial final ratification of contract; 3) Specify in contracts whenever possible the ACTUAL performance dates when there are contingencies; 4) Fully explain buyer agency and designated agency to ALL parties and in designated and dual agency make sure ALL parties agree to the transaction; and 5) Get ALL owners of the property to sign both the listing agreement and the contract.

Good luck during the Spring market,

Carol

Virginia Real Estate Board
Perimeter Center, Suite 400
9960 Mayland Drive
Richmond, VA 23233
804-367-8526

Timothy M. Kaine
Governor

Patrick O. Gottschalk
Secretary, Commerce & Trade

INSIDE THIS ISSUE:

Board Members & Staff	2
Board Contact Information	2
Amended Board Regulations	3
Disciplinary Actions	4-5
Choose Your Broker Wisely	6
New Broker CE Requirements	7
Fair Housing	7

2008 Meeting Dates

All meetings are held on the Second Floor of the Perimeter Center, at the address above:

May 8, 2008
July 10, 2008
September 18, 2008
November 6, 2008

BOARD MEMBERS

Carol F. Clarke, Chair
Charlottesville
Licensee Member
Four-year term ends on 6/30/08

Byrl P. Taylor, Vice-Chair
White Stone
Licensee Member
Four-year term ends on 6/30/11

Nathaniel Brown
Charlottesville
Citizen Member
Unexpired term ends on 6/30/08

Judith L. Childress
Martinsville
Licensee Member
Four-year term ends on 6/30/08

Marjorie Clark
Richmond
Citizen Member
Four-year term ends on 6/30/10

Florence Daniels
Alexandria
Licensee Member
Four-year term ends on 6/30/10

Scott M. Gaeser
Manakin-Sabot
Licensee Member
Four-year term ends on 6/30/10

Miles B. Leon
Norfolk
Licensee Member
Four-year term ends on 6/30/08

R. Schaefer Oglesby
Lynchburg
Licensee Member
Four-year terms ends on 6/30/09

DPOR Staff

Jay DeBoer, Director

Saba Shami, Chief Deputy Director

Mark Courtney, Deputy Director
Licensing & Regulation Division

Nick Christner, Deputy Director
Compliance & Investigations Division

Steven Arthur, Deputy Director
Administration & Finance Division

Lizbeth Hayes, Director
Fair Housing Office

**Real Estate Board Staff**

Christine Martine
Executive Director

Tom Perry
Property Registration Administrator

Kevin Hoefft
Education Administrator

Maryanne Woo
Office Manager

Emily Trent
Administrative Assistant

Board Contact Information

Executive Director - 804-367-8552

Licensing Section - 804-367-8526

Education Section - 804-367-2406

Property Registration Section - 804-367-8510

Fax Number - 804-527-4299

E-mail - REBoard@dpor.virginia.gov

Web - www.dpor.virginia.gov

DPOR Main Number - 804-367-8500

Complaints Section - 804-367-8504

Real Estate Board Regulations Amended Effective April 1, 2008

The Real Estate Board's Regulations have been amended. These amendments went into effect on April 1, 2008. You can review the updated regulations on the Board's website at: http://www.dpor.virginia.gov/dporweb/reb_main.cfm. Click on: "Real Estate Board Regulations (Effective April 1, 2008)." The following is a summary of these regulatory changes.

- ◆ 18 VAC 135-20-10 - added a definition for "actively engaged in the brokerage business."
- ◆ 18 VAC 135-20-30 & 18 VAC 135-20-60 - amended qualifications for licensure to include the need for a high school diploma or its equivalent and clarified language regarding disclosure of convictions.
- ◆ 18 VAC 135-20-100 - amended to reflect changes in education requirements for license renewal.
- ◆ 18 VAC 135-20-101 - added to reflect changes in education requirements for license renewal.
- ◆ 18 VAC 135-20-105 - amended to require salespersons licensed by reciprocity to take the state portion of the salesperson's exam before license renewal when upgrading to a broker's license.
- ◆ 18 VAC 135-20-160 - amended to clarify posting requirements for branch office license and roster of brokers and salespersons assigned to branch office and to clarify supervising broker responsibilities.
- ◆ 18 VAC 135-20-170 - amended to clarify use of a professional name and reporting changes in firm name.
- ◆ 18 VAC 135-20-180 - amended to require principal brokers to report all instances where they believe that escrow accounts are not being properly maintained.
- ◆ 18 VAC 135-20-190 - amended to clarify requirements for on-line advertising and include the disclosure required by § 54.1-2138.1 of the *Code of Virginia* when applicable.
- ◆ 18 VAC 135-20-210 - amended to clarify disclosure requirements for licensees (or family members or business associates) who have an ownership interest in property they are buying, selling or leasing.
- ◆ 18 VAC 135-20-220 - amended to comply with statutory provisions.
- ◆ 18 VAC 135-20-280 - amended to require prior written consent of the principal broker for performing certain acts.
- ◆ 18 VAC 135-20-300 - amended to clarify actions constituting misrepresentation or omission.
- ◆ 18 VAC 135-20-345 - added to allow the board to suspend, revoke or fail to renew any or all licenses held by an individual broker in the event of a disciplinary action.
- ◆ 18 VAC 135-20-360 - amended provisions for pre-license, continuing and post license education instructor qualifications, proprietary schools and course requirements.
- ◆ 18 VAC 135-20-370 - amended provisions for renewal of proprietary school and pre-license instructor certificates.
- ◆ 18 VAC 135-20-390 - amended provisions for which the Board can withdraw its education approval.



DISCIPLINARY ACTIONS



The Real Estate Board (the Board) licenses or certifies real estate salespersons, brokers, firms, proprietary schools and pre-license instructors. If a complaint is filed against a licensee who is subject to the laws and regulations of the Board, the complaint is reviewed by the Compliance and Investigations Division (CID) of DPOR to determine if a violation of these laws or regulations may have occurred. If there is probable cause of a violation, an investigation is initiated. If the investigation reveals that one or more violations may have occurred, the licensee receives notice to appear at an informal fact-finding conference (IFF) to address these alleged violations.

In some cases the licensee may be offered a pre-IFF Consent Order. A Consent Order is an agreement between the licensee and the Board consisting of specific violations and sanctions. Pre-IFF Consent Orders eliminate the time and expense associated with conducting an IFF.

If an IFF is held, a recommendation from the IFF hearing officer consisting of proposed violations and sanctions is submitted to the Board for consideration at its next meeting. The Board can take the following disciplinary actions against a licensee: assess a monetary penalty; suspend or revoke a license; place an individual on probation; require additional education; or deny renewal. A licensee can continue to practice throughout the disciplinary process until the Board either revokes or suspends his license.

The public can view the Board's Final Orders and Consent Orders on the DPOR website at www.dpor.virginia.gov. Click on "License Lookup." Then click on "Search Disciplinary Actions Occurring since April 1, 2002." A search page will appear with directions on how to search for Board disciplinary actions against its licensees.

The following cases are disciplinary actions rendered by the Board in January and March of 2008:

<u>Case No.</u>	<u>Licensee</u>	<u>Violations & Sanctions</u>
2008-01163	Donna Procise Richmond, VA	18 VAC 135-20-290 - Improper Dealing (2 counts) Fined \$600, \$150 Board costs
2007-02486	Dillard C. Laughlin, Jr. Richmond, VA	§54.1-2131.A.4 - Failure to Exercise Ordinary Care Fined \$250, \$150 Board costs
2007-03509	James L. Forester, Jr. Yorktown, VA	18 VAC 135-20-260 - Unworthiness & Incompetence (3 counts) Fined \$2000, \$150 Board costs & 6 months License Suspension
2007-05240	David S. Tamaren Marblehead, MA	18 VAC 135-20-260 - Unworthiness & Incompetence (2 counts) \$150 Board Costs & License Revocation
2007-02616	Steven E. Richter Burke, VA	18 VAC 135-20-290 - Improper Dealing §54.1-2131.A.4 - Failure to Exercise Ordinary Care Fined \$800, \$150 Board Costs, 8 hours Continuing Education
2007-04749	Lynda B. Chaffin Mechanicsville, VA	18 VAC 135-20-290 - Improper Dealing No Sanction
2007-03504	Emma J. Jarrett Max Meadows, VA	§54.1-2139.A - Disclosed Dual Representation Authorized Fined \$750



DISCIPLINARY ACTIONS (Cont.)



<u>Case No.</u>	<u>Licensee</u>	<u>Violations & Sanctions</u>
2007-00657	Tracey E. Nester Galax, VA	18 VAC 135-20-180 - Maintenance/Management Escrow Accounts 18 VAC 135-20-220 - Disclosure of Brokerage Relationship 18 VAC 135-20-260 - Unworthiness & Incompetence 18 VAC 135-20-270 - Conflict of Interest 18 VAC 135-20-310 - Delivery of Instruments Fined \$2400 & License Revocation
2007-03372	Melinda E. Poirier Ruther Glen, VA	18 VAC 135-20-180 - Maintenance/Management Escrow Accounts 18 VAC 135-20-260 - Unworthiness & Incompetence (2 counts) 18 VAC 135-20-270 - Conflict of Interest 18 VAC 135-20-310 - Delivery of Instruments Fined \$4250, \$150 Board costs, 16 hours of Continuing Education, & One Year License Suspension
2008-00241	Glenn Glakas Centreville, VA	18 VAC 135-20-260 - Unworthiness & Incompetence (2 counts) \$150 Board costs
2006-03974	Zabillo S. Mansouri Arlington, VA	18 VAC 135-20-210 - Disclosure of Interest 18 VAC 135-20-310 - Delivery of Instruments Fined \$1500, \$150 Board costs, 8 hours of Continuing Education
2007-03320	Gary C. Martell Martinsburg, WV	18 VAC 135-20-260 - Unworthiness & Incompetence License Revocation
2007-02958	Brian K. Sasser Gainesville, VA	18 VAC 135-20-260 - Unworthiness & Incompetence 18 VAC 135-20-270 - Conflict of Interest 18 VAC 135-20-280 - Improper Brokerage Commission Fined \$5000 & License Revocation
2007-02900	Susan Laurence Front Royal, VA	18 VAC 135-20-260 - Unworthiness & Incompetence 18 VAC 135-20-310 - Delivery of Instruments Fined \$2600 & License Probation until 4 hours Cont. Ed. Complete
2007-01271	Annalisa Williams Woodbridge, VA	18 VAC 135-20-260 - Unworthiness & Incompetence (2 counts) 18 VAC 135-20-310 - Delivery of Instruments Fined \$7500 & License Revocation
2007-03282	Garrett T. Baker Culpeper, VA	18 VAC 135-20-300 - Misrepresentation/Omission Fined \$250, \$150 Board costs, 4 hours of Continuing Education
2007-03303	John H. Martin Chesapeake, VA	18 VAC 135-20-185 - Maintenance/Management Financial Records Fined \$550, \$150 Board costs, 8 hours of Continuing Education
2007-03774	Rodney K. Chenault Mechanicsville, VA	18 VAC 135-20-180 - Maintenance/Management Escrow Accounts Fined \$500, \$150 Board costs, 8 hours of Continuing Education
2008-01265	Janice Manning Bassett, VA	18 VAC 135-20-210 - Disclosure of Interest \$150 Board costs & Voluntary License Surrender
2007-01168	Sam R. Stanford Richmond, VA	18 VAC 135-20-260 - Unworthiness & Incompetence (2 counts) License Revocation

Choose Your Broker Wisely

By Florence Daniels, Real Estate Board Member

This article is not written to bash brokers but to give a wake-up call to salespersons that remain with brokers who fail to provide adequate training and supervision. Although this article is directed primarily to new salespersons, it will also benefit experienced salespersons.



The Board has considered a number of recent disciplinary cases involving salespersons who violated one or more of the Board's laws and regulations. In many of these cases, the salespersons claimed that the violation(s) occurred because their brokers did not train them properly or prepare them for the unique set of circumstances that led to the disciplinary action.

This claim carries little weight with the Board. All salespersons are responsible for choosing a broker who will help them avoid risky decisions that could lead to disciplinary action or harmful civil consequences.

During the past five years the real estate profession has witnessed a proliferation of real estate business models which provide different levels of services. No longer is the traditional brokerage firm offering "full service" real estate services the only game in town. Many non-traditional firms now offer "limited" real estate services. Salespersons now have the choice of working with a traditional or non-traditional firm.

Unfortunately, many new salespersons choose the glittering prospect of fast money over building a solid clientele through rigorous training, hard work and sound business

practices. Salespersons whose top priority is more compensation or a higher split often fail to seek a broker and firm that would provide the requisite training to enable them to become competent well-rounded real estate professionals.

There are a number of important reasons for a salesperson to choose a broker who values training and supervision. First, new salespersons are generally inexperienced and subject to numerous potential traps associated with the complexity of the real estate business. Rigorous and effective hands-on training can help new salespersons avoid these traps and help them develop into competent real estate professionals. Many firms have their own real estate schools or mentoring programs to accomplish this.

If these options are unavailable, new salespersons still must select a broker who will help them understand complex real estate transaction documents, office policy, how to handle the money or deposits of others, real estate laws and regulations, agency and limited service agency, fair housing laws, how to conduct a listing appointment, and the multitude of principles, practices and nuances involved in real estate.

New salespersons should not expect to learn all this on their own – there is just too much to learn. A broker should be there to train and guide the salesperson, and the salesperson must expect this from their broker. After all, the broker will usually share in any compensation that is generated from the salesperson's efforts.

As licensees, we should all strive to update our knowledge. And as we continue to learn, our businesses will grow. And most important, we will serve our client base well and reap the referrals for such exceptional service and knowledge.

Broker Continuing Education Requirements Changing Effective July 1, 2008

With the support of the Virginia Association of Realtors, the 2007 General Assembly enacted legislation which changes continuing education requirements for all licensed real estate brokers.

All active brokers whose licenses expire after June 30, 2008, will be required to complete 24 hours of continuing education within their current two-year license term to renew their license(s). All inactive brokers will be required to meet this requirement to activate their license(s).

These 24 hours of continuing education shall include: 8 hours of Broker Management and Agent Supervision; 3 hours of Ethics and Standards of Conduct; 2 hours of Fair Housing; 1 hour of Legal Updates and Emerging Trends; 1 hour of Real Estate Agency; 1 hour of Real Estate Contracts; and 8 hours of Real Estate Related Subjects (electives).

In addition to these 24 hours of continuing education, all active brokers whose licenses expire before July 1, 2009, must complete one two-hour course in Limited Service Agency (LSA) to renew their license(s). All inactive brokers will be

required to meet this LSA requirement to activate their license(s).

The Board's lists of approved "Broker Management and Agent Supervision" courses, "Limited Service Agency" courses and "Continuing Education" courses are in the "Exams & Education" section on the Board's web page at:

http://www.dpor.virginia.gov/dporweb/reb_main.cfm

If you have any questions, please contact the Board's Education Section at 804-367-2406 or at REschool@dpor.virginia.gov



FAIR HOUSING

Pursuant to the Freedom of Information Act (FOIA) policy of the Department of Professional and Occupational Regulation for Fair Housing case files, only complaint dismissals resulting from the Board's determination that **no reasonable cause exists** to believe that a discriminatory housing practice occurred, shall be disclosed to the public. Upon request, and following completion of the Board's investigation, information derived from an investigation and any final investigative report may be made available to only the aggrieved person(s) and the respondent(s). Written conciliation agreements shall be made public **unless** the complainant and the respondent agree in writing that the agreement is to remain confidential, and the Board determines that disclosure is not required to further the purposes of the Fair Housing Law. Case names can be obtained from the Board minutes located on the Townhall website. The Board made a finding of reasonable cause or approved conciliation agreements for the following cases at its January and March 2008 meetings:

Action	Case No.	Case Name
Discrimination in the terms and conditions based on sex	2007-01497	Shelby James v. George's Realty, Inc. and Ray Priola
Settlement Agreement	2005-01854	Jaider and Israel Pineda v. Freddie Hughes and Woodlake Investment, Inc., t/a Stars and Stripes Realty
Discrimination by refusing to rent based on familial status	2007-02016	Rosalyn Jackson-Rush and Alphonso Rush v. Christopher A. Georges and Company and Christopher A. Georges
Refusal to make reasonable accommodations for disability	2007-00009	Bettie J. High v. Bettie Hairston, Hercules Real Estate Services and Todd Copeland



COMMONWEALTH OF VIRGINIA
Department of Professional and
Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, Virginia 23233

PRE-SORT
STANDARD
U.S. POSTAGE PAID
Permit No. 2005
Richmond, VA