

2 **HB 1659 - H AMD 297 ADOPTED 3/14/95**

3 By Representative Mielke

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5 On page 11, after line 2, insert the following:

6 "Sec. 14. RCW 18.85.230 and 1990 c 85 s 1 are each amended to read
7 as follows:

8 The director may, upon his or her own motion, and shall upon
9 verified complaint in writing by any person, investigate the actions of
10 any person engaged in the business or acting in the capacity of a real
11 estate broker, associate real estate broker, or real estate
12 salesperson, regardless of whether the transaction was for his or her
13 own account or in his or her capacity as broker, associate real estate
14 broker, or real estate salesperson, and may impose any one or more of
15 the following sanctions: Suspend or revoke, levy a fine not to exceed
16 one thousand dollars for each offense, require the completion of a
17 course in a selected area of real estate practice relevant to the
18 section of this chapter or rule violated, or deny the license of any
19 holder or applicant who is guilty of:

20 (1) Obtaining a license by means of fraud, misrepresentation,
21 concealment, or through the mistake or inadvertence of the director;

22 (2) Violating any of the provisions of this chapter or any lawful
23 rules or regulations made by the director pursuant thereto or violating
24 a provision of chapter 64.36, 18.-- (sections 1 through 13 of this
25 act), 19.105, or 58.19 RCW or the rules adopted under those chapters;

26 (3) Being convicted in a court of competent jurisdiction of this or
27 any other state, or federal court, of forgery, embezzlement, obtaining
28 money under false pretenses, bribery, larceny, extortion, conspiracy to
29 defraud, or any similar offense or offenses: PROVIDED, That for the
30 purposes of this section being convicted shall include all instances in
31 which a plea of guilty or nolo contendere is the basis for the
32 conviction, and all proceedings in which the sentence has been deferred
33 or suspended;

34 (4) Making, printing, publishing, distributing, or causing,
35 authorizing, or knowingly permitting the making, printing, publication
36 or distribution of false statements, descriptions or promises of such

1 character as to reasonably induce any person to act thereon, if the
2 statements, descriptions or promises purport to be made or to be
3 performed by either the licensee or his or her principal and the
4 licensee then knew or, by the exercise of reasonable care and inquiry,
5 could have known, of the falsity of the statements, descriptions or
6 promises;

7 (5) Knowingly committing, or being a party to, any material fraud,
8 misrepresentation, concealment, conspiracy, collusion, trick, scheme or
9 device whereby any other person lawfully relies upon the word,
10 representation or conduct of the licensee;

11 (6) Accepting the services of, or continuing in a representative
12 capacity, any associate broker or salesperson who has not been granted
13 a license, or after his or her license has been revoked or during a
14 suspension thereof;

15 (7) Conversion of any money, contract, deed, note, mortgage, or
16 abstract or other evidence of title, to his or her own use or to the
17 use of his or her principal or of any other person, when delivered to
18 him or her in trust or on condition, in violation of the trust or
19 before the happening of the condition; and failure to return any money
20 or contract, deed, note, mortgage, abstract or other evidence of title
21 within thirty days after the owner thereof is entitled thereto, and
22 makes demand therefor, shall be prima facie evidence of such
23 conversion;

24 (8) Failing, upon demand, to disclose any information within his or
25 her knowledge to, or to produce any document, book or record in his or
26 her possession for inspection of the director or his or her authorized
27 representatives acting by authority of law;

28 (9) Continuing to sell any real estate, or operating according to
29 a plan of selling, whereby the interests of the public are endangered,
30 after the director has, by order in writing, stated objections thereto;

31 (10) Committing any act of fraudulent or dishonest dealing or a
32 crime involving moral turpitude, and a certified copy of the final
33 holding of any court of competent jurisdiction in such matter shall be
34 conclusive evidence in any hearing under this chapter;

35 (11) Advertising in any manner without affixing the broker's name
36 as licensed, and in the case of a salesperson or associate broker,
37 without affixing the name of the broker as licensed for whom or under
38 whom the salesperson or associate broker operates, to the
39 advertisement; except, that a real estate broker, associate real estate

1 broker, or real estate salesperson advertising their personally owned
2 real property must only disclose that they hold a real estate license;
3 (12) Accepting other than cash or its equivalent as earnest money
4 unless that fact is communicated to the owner prior to his or her
5 acceptance of the offer to purchase, and such fact is shown in the
6 earnest money receipt;
7 (13) Charging or accepting compensation from more than one party in
8 any one transaction without first making full disclosure in writing of
9 all the facts to all the parties interested in the transaction;
10 (14) Accepting, taking or charging any undisclosed commission,
11 rebate or direct profit on expenditures made for the principal;
12 (15) Accepting employment or compensation for appraisal of real
13 property contingent upon reporting a predetermined value;
14 (16) Issuing an appraisal report on any real property in which the
15 broker, associate broker, or salesperson has an interest unless his or
16 her interest is clearly stated in the appraisal report;
17 (17) Misrepresentation of his or her membership in any state or
18 national real estate association;
19 (18) Discrimination against any person in hiring or in sales
20 activity, on the basis of race, color, creed or national origin, or
21 violating any of the provisions of any state or federal
22 antidiscrimination law;
23 (19) Failing to keep an escrow or trustee account of funds
24 deposited with him or her relating to a real estate transaction, for a
25 period of three years, showing to whom paid, and such other pertinent
26 information as the director may require, such records to be available
27 to the director, or his or her representatives, on demand, or upon
28 written notice given to the bank;
29 (20) Failing to preserve for three years following its consummation
30 records relating to any real estate transaction;
31 (21) Failing to furnish a copy of any listing, sale, lease or other
32 contract relevant to a real estate transaction to all signatories
33 thereof at the time of execution;
34 (22) Acceptance by a branch manager, associate broker, or
35 salesperson of a commission or any valuable consideration for the
36 performance of any acts specified in this chapter, from any person,
37 except the licensed real estate broker with whom he or she is licensed;
38 (23) To direct any transaction involving his or her principal, to
39 any lending institution for financing or to any escrow company, in

1 expectation of receiving a kickback or rebate therefrom, without first
2 disclosing such expectation to his or her principal;

3 (24) Buying, selling, or leasing directly, or through a third
4 party, any interest in real property without disclosing in writing that
5 he or she holds a real estate license;

6 (25) In the case of a broker licensee, failing to exercise adequate
7 supervision over the activities of his or her licensed associate
8 brokers and salespersons within the scope of this chapter;

9 (26) Any conduct in a real estate transaction which demonstrates
10 bad faith, dishonesty, untrustworthiness or incompetency;

11 (27) Acting as a mobile home and travel trailer dealer or
12 salesperson, as defined in RCW 46.70.011 as now or hereafter amended,
13 without having a license to do so;

14 (28) Failing to assure that the title is transferred under chapter
15 46.12 RCW when engaging in a transaction involving a mobile home as a
16 broker, associate broker, or salesperson; or

17 (29) Violation of an order to cease and desist which is issued by
18 the director under this chapter."

19 Renumber the sections consecutively.

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23 On page 1, line 1 of the title, after "relationships;" insert
24 "amending RCW 18.85.230;"

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