

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
233 RICHMOND STREET
PROVIDENCE, RHODE ISLAND 02903

IN THE MATTER OF: :
 :
SHARON STEELE, : DBR No.: 08-L-0060
 :
RESPONDENT. :

 :

**EMERGENCY ORDER SUSPENDING LICENSE,
NOTICE OF INTENT TO REVOKE LICENSE, IMPOSE ADMINISTRATIVE
PENALTY, AND PROVIDE NOTICE OF OPPORTUNITY FOR HEARING**

Pursuant to R.I. Gen. Laws §§ 5-20.5-1, *et seq.*, and 42-35-14(c), the Director (“Director”) of the Department of Business Regulation (“Department”) hereby issues this Emergency Order to Cease and Desist Accepting New Business, Notice of Intent to Revoke License, Impose Administrative Penalty, and Provide Notice of Opportunity for Hearing (“Emergency Order”) to Sharon Steele (“Respondent”).

A. STATUTORY/REGULATORY JURISDICTION

The Department has jurisdiction over this matter pursuant to R.I. Gen Laws § 5-20.5-1, *et seq.*, R.I. Gen Laws § 42-14-1, *et seq.*, R.I. Gen Laws § 42-35-1, *et seq.*, and *Commercial Licensing Regulation 11 – Real Estate Brokers and Salespersons*.

B. FACTS

1. Respondent is licensed as a real estate broker, License No. B11562, issued May 1, 2006, pursuant to the terms and provisions of R.I. Gen. Laws § 5-20.5-1, *et seq.*, and *Commercial Licensing Regulation 11– Real Estate Brokers and Salespersons*.

2. Respondent represents the seller of condominium property located at 101 North Main Street, #300, Providence, Rhode Island (the "Condo").
3. On February 15, 2008, the Department received a complaint from a would-be buyer of the Condo ("Complainant").
4. Complainant viewed the Condo in November 2007 and signed a purchase and sale agreement on December 4, 2007.
5. Complainant delivered a \$31,250.00 deposit for the Condo to Respondent in the form of a check on December 4, 2007.
6. Complainant alleges that Respondent misrepresented the number of days the Condo was on the market.
7. Complainant alleges that Respondent misrepresented and/or failed to investigate whether a restaurant was a member of the condo association.
8. Complainant alleges that Respondent misrepresented and/or failed to investigate the true nature of the two parking spaces for the Condo.
9. Complainant alleges that Respondent misrepresented and/or failed to investigate the correct monthly condominium assessment.
10. As a result of the alleged misrepresentations, Complainant cancelled the purchase and sale agreement on January 15, 2008 and requested her deposit from Respondent.
11. Complainant picked up the check representing the return of her \$31,250.00 deposit on January 31, 2008 and presented it for payment that day at Bank of America. The bank refused to honor the check because it was post-dated to February 1, 2008 and because of insufficient funds in Respondent's account.

12. Complainant returned to the bank on Friday, February 1, 2008 and Monday, February 4, 2008 and received confirmation on both days that there were still insufficient funds in Respondent's account to honor the check.

13. On February 4, 2008, Complainant sent a certified letter to Respondent demanding the return of her \$31,250.00 deposit.

14. On February 7, 2008, Complainant received a certified bank check from Respondent; it was deposited and cleared the following day.

15. Complainant provided the Department with the Release of Purchase Agreement and Disbursement of Escrow, executed by all parties.

16. Complainant provided the Department with a notice from her bank, dated February 1, 2008, that the \$31,250.00 check deposited January 31, 2008 was returned unpaid due to insufficient funds.

17. Complainant provided the Department with a copy of Respondent's check made payable to Complainant in the amount of \$31,250.00, stamped with "NSF" and a note stating, "Return Reason – Not Sufficient Funds."

C. RELEVANT LAW

1. R.I. Gen. Laws § 5-20.5-14(a)(1) authorizes the Department to suspend or revoke a license where a licensee makes a substantial misrepresentation in a real estate transaction.

2. R.I. Gen. Laws § 5-20.5-14(a)(5) authorizes the Department to suspend or revoke a license where a licensee fails to deposit money or other customers' funds upon the execution of a purchase and sales agreement.

3. R.I. Gen. Laws § 5-20.5-14(a)(15) authorizes the Department to suspend or revoke a license where a licensee violates any rule or regulation promulgated by the commission or the Department.

4. R.I. Gen. Laws § 5-20.5-14(a)(20) authorizes the Department to suspend or revoke a license where a licensee demonstrates bad faith, dishonesty, untrustworthiness, or incompetency.

5. Rule 6 of *Commercial Licensing Regulation 11 – Real Estate Brokers and Salespersons* prohibits the commingling of funds by failing to segregate promptly any monies received that are held for the benefit of others.

6. Rule 20(B) of *Commercial Licensing Regulation 11 – Real Estate Brokers and Salespersons* further provides:

Every Licensee shall make a diligent effort to ascertain all pertinent information and facts, including but not limited to lot size, zoning, presence or absence of town water or sewer connection, and in the course of a new dwelling, municipal acceptance of the plat and certificate of occupancy, concerning every property for which he/she accepts an agency, and concerning every person for whom he/she submits an offer to his/her principal.

7. R.I. Gen. Laws § 42-35-14(c) provides that if the Department finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in its order, summary suspension of license may be ordered pending proceedings for revocation or other action.

D. BASIS FOR EMERGENCY ACTION

Based on the foregoing, the Department has reason to believe that Respondent violated R.I. Gen. Laws § 5-20.5-14(a)(1), (5), (15), and (20), and Rules 6 and 20 of *Commercial Licensing Regulation 11 – Real Estate Brokers and Salespersons*. The Director finds that due to the Respondent's failure to demonstrate trustworthiness, competence, and

diligence based on Respondent's conduct described in Section B, *supra*, and incorporated herein, the public welfare imperatively requires that Respondent's license be summarily suspended, pursuant to R.I. Gen. Laws § 42-35-14(c).

E. ORDER

Accordingly, it is hereby ORDERED:

1. That, pursuant to R.I. Gen. Laws § 42-35-14(c), Respondent's license is immediately suspended;

2. That Respondent will cease and desist from any activity requiring licensure pursuant the Rhode Island General Laws pertaining to real estate and *Commercial Licensing Regulation 11 – Real Estate Brokers and Salespersons*.

3. That, within two (2) business days of the receipt of this Order, Respondent shall provide to the Department:


a. The bank statements for the account that exists solely for the purpose of depositing amounts being held in escrow from January 1, 2007 to the present;

b. The bank statements for the account used for handling operating expenses from January 1, 2007 to the present; and

c. Any documents not otherwise described herein necessary and sufficient to verify and explain the proper deposit of any funds or other record entries related to the failed real estate transaction for 101 North Main Street, Unit 300, Providence, Rhode Island, between Cynthia Hanssen and Krisd LLC.

THEREFORE, unless the Director receives a written request for a hearing along with Respondent's answer to this Emergency Order within twenty (20) days of the date of this Emergency Order, the Director will regard Respondent as having been provided notice and an opportunity for hearing, and as having waived the right to a hearing. Unless such

written request for a hearing is received within the time period specified above, no hearing will be held on this matter, and the Director will revoke the license by order.



A. Michael Marques
Director

Dated: 03-03-2008

Entered as an Administrative Order No. 08- 052 on this 3rd day of March, 2008.

THE DIRECTOR RESERVES THE RIGHT TO PUBLISH A NOTICE OF THIS ORDER IN A NEWSPAPER OF GENERAL CIRCULATION IN THE STATE OF RHODE ISLAND.

CERTIFICATION

I hereby certify on this 4th day of March, 2008, that a copy of the within

Emergency Order was mailed by certified and first class mail, postage prepaid, to:

Sharon Steele
The Sharon Steele Group
150 Chestnut Street
Providence, Rhode Island 02903

and by first class mail, postage prepaid, to:

Sharon Steele
131 Woodbury Street
Providence, Rhode Island 02906

and by hand-delivery to:

Michael P. Jolin, Esq.
Department of Business Regulation
233 Richmond Street
Providence, Rhode Island 02903

Maria D'Alessandro, Esq.
Department of Business Regulation
233 Richmond Street
Providence, Rhode Island 02903

Valerie Voccio
Administrator – Real Estate
Department of Business Regulation
233 Richmond Street
Providence, Rhode Island 02903.

A B Ellison