

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
1511 PONTIAC AVENUE, BLDG. 68-1  
CRANSTON, RHODE ISLAND 02920

IN THE MATTER OF:

JOHN SKEFFINGTON III

RESPONDENT

DBR No: 15RE011

CONSENT AGREEMENT

The Department of Business Regulation ("Department") and John Skeffington III ("Respondent") hereby consent and agree that:

1. The Respondent is duly licensed as a real estate salesperson holding license number RES.0030321 issued by the Department. At all times relevant hereto, the Respondent was affiliated with an agency known as Independent Brokers Realty of Rhode Island ("Independent") located in the City of Cranston, Rhode Island.

2. The Respondent's affiliation with Independent was terminated by the agency's principal broker on March 30, 2015.

3. On or about April 16, 2015, the Department received a complaint against the Respondent which alleged that he had committed violations of Rhode Island General Laws and Department regulations during his participation in three (3) real estate transactions through his affiliation with Independent, during the period of time beginning September 10, 2014 through April 8, 2015. This complaint was brought by the Principal Broker for Independent upon discovery of the herein-described actions of the Respondent.

4. In the course of the investigation into this matter, the Department has determined that the Respondent, on three (3) occasions did in fact, receive and accept deposit monies from  
Div of Commercial  
and Athletics

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Real Estate



potential buyers, deposited the funds to his personal non-escrow account, and willfully failed to notify the Principal Broker of the transaction by failing to surrender the funds and the agreements to the agency.

5. Upon discovery of the foregoing acts of the Respondent by the Principal Broker for Independent, the Respondent admitted each circumstance, and neglected to state that he had engaged in other such transactions, as well.

6 Pursuant to R.I. Gen. Laws § 5-20.5-14(a), the Director of the Department may revoke or suspend a real estate license or assess an administrative penalty if a licensee is found to have violated any provisions of the following:

- a. R.I. Gen. Laws § 5-20.5-14(a)(5) - Failing to deposit money or other customers' funds received by a salesperson into an escrow account maintained by the broker upon execution of a purchase and sales agreement;
- b. R.I. Gen. Laws § 5-20.5-14(a)(12) - As a salesperson, accepting a commission or any or any valuable consideration for the performance of any acts specified in this chapter from any person, except the licensed real estate broker with whom he or she is affiliated;
- c. R.I. Gen. Laws § 5-20.5-14(a)(20) - Any conduct in a real estate transaction which demonstrates bad faith, dishonesty, untrustworthiness or incompetence;
- d. R.I. Gen. Laws § 5-20.5-14(a)(3) - As a licensed salesperson, failing upon termination of his or her employment or affiliation with a real estate broker and upon demand by the broker to immediately turn over to the broker any and all information, records or other materials obtained during his or her employment whether the information or records were originally given to him or her by the broker or copied from the records of that broker or affiliation or acquired by the salesperson during his or her employment;

e. R. I. Gen. Laws § 5-20.5-14 - failure of a salesperson to notify the director, in writing, within ten (10) days of any change in his/her broker affiliation.

7. Pursuant to R.I. Gen Laws § 5-20.5-26 (a)(1)(i), Each real estate firm shall maintain an escrow account under the supervision of the broker qualified to do business in the name and on behalf of the corporate, partnership or association licensee. All those funds paid to a salesperson or paid directly to a broker shall be segregated on the broker's books and deposited in an account in a recognized federally insured financial institution in Rhode Island separate from any account containing funds owned by the broker. A broker or salesperson shall not commingle deposit money or other customers' funds and his or her own funds, use a customer's funds as his or her own.

8. Commercial Licensing Regulation 11 - *Real Estate Brokers and Salespersons*, Section 18 (A)(3) provides that funds designated for escrow shall be deposited in the escrow account of the principal broker unless otherwise agreed to in writing by the parties to the real estate transaction.

9. Commercial Licensing Regulation 11 - *Real Estate Brokers and Salespersons*, Section 18 (B) provides that salespersons are prohibited from holding client funds. An affiliated licensee shall turn over all deposit monies received promptly to his or her principal broker or, at the direction of the principal broker deposit the funds in the principal broker's escrow account.

Based on the foregoing, the Department has reason to believe that Respondent violated Commercial Licensing Regulations and Rhode Island General Laws as set forth by engaging in the above-described practices. Accordingly, the Department has sufficient cause to assess an administrative penalty pursuant to R.I. Gen. Laws § 5-20.5-14(b).

In an effort to effect a timely and amicable resolution of the issues raised in this Consent Agreement without an administrative hearing and to allow Respondent to maintain his license in good standing in the future, Respondent agrees to the following:

1. Respondent shall pay an administrative penalty in the amount of seven thousand five hundred (\$7,500.00) dollars, upon the execution of this document. A check or money order in that amount shall be made payable to the Office of the General Treasurer, and forwarded to the Department of Business Regulation.
2. The Respondent's real estate salesperson's license, number RES.0030321, shall be suspended for a period of 30 days, beginning on the date of execution of this Agreement by the Department. During that time, the Respondent is prohibited from participating in any manner in any real estate transaction as defined in the Rhode Island General Laws, including the receipt of commissions or compensation of any kind for such transactions.
3. The Respondent shall successfully complete twelve (12) credit hours of real estate education in the area of Ethics within six (6) months from the date of execution of this Agreement by the Department. These courses may not be used to qualify as continuing education required for renewal, and will not be accepted for that use.

In making its offer to the Respondent to settle this complaint without further administrative action, the Department has considered certain mitigating factors as contained in the statement of the Respondent wherein, through counsel, he has voluntarily and "regretfully



admitted to the violations as alleged by Independent." Further mitigating factors considered by the Department include the absence of any prior complaints or disciplinary actions in the Respondent's licensing history, his cooperation with the investigation into this matter and in considering the public interest by the conservation of Department resources.

WHEREFORE, the Respondent voluntarily waives his right to the administrative hearing process and voluntarily waives his right to appeal this matter to the Rhode Island Superior Court. If Respondent fails to abide by any of the requirements of this Consent Agreement, the Department will initiate administrative proceedings to impose penalties against Respondent including, but not limited to: (i) suspension, (ii) revocation, and/or (iii) such additional administrative penalties as deemed appropriate by the Department

