

**IN THE
COMMONWEALTH OF VIRGINIA
REAL ESTATE BOARD**

Re: Alinson Danilo Nova
Virginia Beach, VA 23456

File Number 2021-00637
License Number 0225072521

FINAL OPINION AND ORDER

On March 18, 2022, the Notice of Prima Facie Case ("Notice"), the Report of Findings, including exhibits, and the Recommendation were mailed, via United States Postal Service ("USPS") certified mail in two packages, to Nova at the address of record.

In accordance with § 54.1-201(A)(9) of the Code of Virginia, the Notice advised that Nova had the right to request an Informal Fact-Finding Conference pursuant to § 2.2-4019 of the Administrative Process Act within 30 days of the receipt of the Notice. The Notice included the date the Real Estate Board ("the Board") would meet to decide this matter. Both packages were delivered. Nova did not request an Informal Fact-Finding Conference.

On May 19, 2022, the Board met and reviewed the record, which consisted of the Notice, the Report of Findings, including exhibits, and the Recommendation. Nova did not appear at the Board meeting in person, by counsel, or by any other qualified representative.

The Board adopts the Report of Findings, which contains the facts regarding the regulatory and/or statutory issues in this matter, and adopts the Recommendation. The Report of Findings and the Recommendation are incorporated as part of this Order.

The Board finds substantial evidence that Nova violated the following and imposes the listed monetary penalties:

Count 1:	18 VAC 135-20-260.12	\$ 1,500.00
Count 2:	18 VAC 135-20-180.C.2	\$ 1,150.00
Count 3:	18 VAC 135-20-240	\$ 1,300.00
Count 4:	18 VAC 135-20-260.11.f	\$ 1,150.00

TOTAL		\$ 5,100.00

The Board also imposes the following sanctions:

In addition, license revocation shall be imposed for violations of Counts 1, 2, 3, and 4.

THE TOTAL MONETARY PENALTY ASSESSED HEREIN SHALL BE PAID WITHIN SIXTY (60) DAYS FROM THE DATE OF ENTRY OF THIS FINAL ORDER. FAILURE TO PAY THE TOTAL MONETARY PENALTY ASSESSED WITHIN SIXTY (60) DAYS OF THE DATE OF ENTRY OF THIS FINAL ORDER WILL RESULT IN THE AUTOMATIC SUSPENSION OF YOUR LICENSE (LICENSE NO.0225072521) UNTIL SUCH TIME AS SAID AMOUNT IS PAID IN FULL.

FAILURE TO PAY THE TOTAL AMOUNT DUE UNDER THIS ORDER BY THE DUE DATE MAY CAUSE THE MATTER TO BE SENT FOR COLLECTION AND THE IMPOSITION OF INTEREST AND ADMINISTRATIVE, COLLECTION, OR ATTORNEY'S FEES. INTEREST CALCULATED AT THE JUDGMENT RATE ON THE UNPAID BALANCE OF THE TOTAL AMOUNT DUE UNDER THIS ORDER SHALL BEGIN TO ACCRUE SIXTY (60) DAYS AFTER THE RESPONDENT IS OUT OF COMPLIANCE WITH THE TERMS OF THE ORDER. IF IMPOSED, ATTORNEY'S FEES SHALL BE IN THE AMOUNT OF 30% OF THE AMOUNT DUE ON THE DATE THE MATTER IS SENT FOR COLLECTION.

AS PROVIDED BY RULE 2A:2 OF THE SUPREME COURT OF VIRGINIA, YOU HAVE THIRTY (30) DAYS FROM THE DATE OF SERVICE (I.E. THE DATE YOU ACTUALLY RECEIVED THIS DECISION OR THE DATE THE DECISION WAS MAILED TO YOU, WHICHEVER OCCURRED FIRST) WITHIN WHICH TO APPEAL THIS DECISION BY FILING A NOTICE OF APPEAL, SIGNED BY EITHER YOU OR YOUR COUNSEL, WITH THE SECRETARY OF THE REAL ESTATE BOARD. IN THE EVENT THAT THE DECISION WAS SERVED ON YOU BY MAIL, THREE (3) DAYS SHALL BE ADDED TO THE THIRTY (30) DAY PERIOD.

IF A PETITION FOR APPEAL IS FILED WITH THE CLERK OF THE CIRCUIT COURT, AS PROVIDED BY RULE 2A:4 OF THE SUPREME COURT OF VIRGINIA, THEN THE AUTOMATIC SUSPENSION OF YOUR LICENSE FOR FAILURE TO PAY THE TOTAL ASSESSED MONETARY PENALTY WILL BE STAYED PROVIDED THE FOLLOWING INFORMATION IS RECEIVED BY THE SECRETARY OF THE REAL ESTATE BOARD:

1. A SIGNED COPY OF THE NOTICE OF APPEAL; AND
2. A COPY OF THE SURETY AGREEMENT OR A COPY OF THE RECEIPT FROM THE CLERK OF THE CIRCUIT COURT WHERE THE APPEAL HAS BEEN FILED INDICATING THAT A BOND HAS BEEN POSTED OR CASH PAID INTO THE COURT IN THE AMOUNT OF THE TOTAL MONETARY PENALTY ASSESSED IN THE FINAL ORDER.

SO ORDERED:

Entered this 19th day of May, 2022.

Real Estate Board

BY: 

Demetrios J. Melis, Secretary

**IN THE
COMMONWEALTH OF VIRGINIA
REAL ESTATE BOARD**

Re: Alinson Danilo Nova, dba Alex Nova

File Number: 2021-00637
License Number: 0225072521

RECOMMENDATION

On September 9, 2020, a complaint was received by the Department of Professional and Occupational Regulation ("the Department"). An investigation was conducted and the results are contained in the attached Report of Findings.

Based on the information contained in the Report of Findings the evidence is sufficient to recommend that the Board find violations of the Board's statutes and/or regulations as set forth in the Report of Findings. It is further recommended that the Board impose the following sanctions:

Count 1:	18 VAC 135-20-260.12	\$1,500.00
Count 2:	18 VAC 135-20-180.C.2	\$1,150.00
Count 3:	18 VAC 135-20-240	\$1,300.00
Count 4:	18 VAC 135-20-260.11.f	\$1,150.00
TOTAL		----- \$5,100.00

In addition, license revocation shall be imposed for violations of Counts 1, 2, 3, and 4.

VIRGINIA DEPARTMENT OF PROFESSIONAL
AND OCCUPATIONAL REGULATION
9960 MAYLAND DRIVE, SUITE 400
RICHMOND, VA 23233

REPORT OF FINDINGS

BOARD: Real Estate Board
DATE: September 1, 2021 (Revised January 12, 2022 JPB)

FILE NUMBER: 2021-00637
RESPONDENT: Alinson Danilo Nova, dba Alex Nova
LICENSE NUMBER: 0225072521
EXPIRATION: August 31, 2023

SUBMITTED BY: Bryan Youmans
APPROVED BY: Christie Brown

COMMENTS:

Respondent also holds an associate broker license (No. 0225201426) with real estate firm Prime Street LLC (No. 0226029336).

Alinson Danilo Nova, dba Alex Nova ("Nova"), was at all times material to this matter subject to the Board's regulation as an applicant for licensure and/or a licensed principal broker in Virginia (No. 0225072521).

Based on the analysis and/or investigation of this matter and a preponderance of the evidence, there is reason to believe the respondent has committed the following violation(s) of the Code of Virginia and/or Board's regulation(s):

BACKGROUND:

On September 9, 2020, the Department of Professional and Occupational Regulation ("Department") received a written complaint from Dawn Crawford-Peebles ("Peebles"), former salesperson with Central Partners Now LLC, dba RE/Max Central Realty ("Central Realty"), which alleged that rental proceeds for the month of August 2020 had been deposited in property owners' bank accounts and were later reversed. The complaint alleged that Central Realty stated that the cause of the reversal was because Central Realty's bank accounts had been compromised. (Exh. C-1)

Subsequently, additional written complaints were received by the Department from Sarah Grace Doyle ("Doyle"), former salesperson with Central Realty, as well as property owner clients of Central Realty, which also alleged that rental proceeds for the

month of August 2020 had been deposited in property owners' bank accounts and were later reversed. (Exh. C-2)

On August 5, 2015, the State Corporation Commission ("SCC") issued a Certificate of Organization to Central Realty as a limited liability company. (Exh. I-3)

On December 30, 2015, Central Realty was issued real estate firm license number 0226027005 by the Real Estate Board ("Board"). Central Realty's principal office is located at 780 Lynnhaven Parkway, Suite 120, Virginia Beach, VA 23452. As of July 12, 2016, the principal broker for Central Realty is Nova, license number 0225072521. (Exh. I-1 and I-2)

1. Board Regulation

18 VAC 135-20-260. Prohibited Acts.

The following are prohibited acts:

12. Actions constituting engaging in improper, fraudulent, or dishonest conduct, including but not limited to the following:
 - a. A licensee attempting to divert commission from the firm or sole proprietorship and direct payment to a licensee or an unlicensed individual who is not a party to the transaction;
 - b. A licensee fabricating or altering any document with the intent to mislead;
 - c. A licensee signing any documents on a client's behalf without first obtaining a client's proper written permission or authorization to sign said documents on his behalf;
 - d. A licensee making an earnest money deposit payable to himself or negotiating the check without written authority;
 - e. A licensee misrepresenting ownership of a property;
 - f. A licensee submitting copies of the same earnest money deposit check for inclusion with multiple offers;
 - g. A licensee entering into agreements to be compensated for real estate services while his license is inactive;
 - h. A licensee representing in offers he received the earnest money deposit when he has not or he knows the check is worthless; and;

- i. A licensee misrepresenting who is holding the earnest money deposit.

Historical Notes:

Derived from VR585-01-1 § 6.7, eff. July 15, 1987; amended, Virginia Register Volume 5, Issue 23, eff. October 1, 1989; Volume 7, Issue 14, eff. May 15, 1991; Volume 8, Issue 13, eff. May 15, 1992; Volume 11, Issue 18, eff. June 28, 1995; Volume 15, Issue 5, eff. January 1, 1999; Volume 19, Issue 12, eff. April 1, 2003; Errata, 19:14 VA.R. 2176, 2177 March 24, 2003; amended, Virginia Register Volume 31, Issue 26, eff. November 1, 2015.

Print Date: May 1, 2020

FACTS:

Central Realty managed approximately 258 units for property owners which included: managing the collection of rents and security deposits, facilitating service requests for repairs, disbursement of owner proceeds, and generating monthly statements. (Exh. I-8 and I-9)

Central Realty held at least 11 bank accounts at TowneBank and Truist (formerly BB&T), with Nova as signatory on all accounts:

Bank	Account Number	Account Name
TowneBank	*9641	Property Management Escrow (" PM Escrow Acct 9641 ")
	*8977	PM Escrow SB (" PM Escrow Acct 8977 ")
	*9676	Sales Escrow (" Sales Escrow Acct 9676 ")
	*9625	Operating ("Operating Acct 9625")
	*8918	PM Operating SB ("PM Operating Acct 8918")
	*9633	Commissions ("Commissions Acct 9633")
Truist (formerly BB&T)	*3614	Property Management Escrow (" PM Escrow Acct 3614 ")
	*3649	Sales Escrow (" Sales Escrow Acct 3649 ")
	*3630	Operating ("Operating Acct 3630")
	*3657	Property Management Operating ("PM Operating Acct 3657")
	*3622	Commissions ("Commissions Acct 3622")

(Exh. I-10a, I-10b, and I-10c)

On or about August 11, 2020, Central Realty property owner clients were paid monthly owner's proceeds; however, the payments were reversed from the property owners' bank accounts on or about August 20, 2020. As a result, multiple property owners and Central Realty agents reached out to Nova and Amber Hughes ("Hughes"), former Property Management Accounting Manager, for an explanation regarding the reversals. (Exh. C-1 and C-2)

Between August 20, 2020, and September 9, 2020, upon Nova's direction as principal broker, Hughes made several conflicting notifications about the reasons for the reversals to Central Realty agents and property owner clients to include: Central Realty's bank account had been "compromised"; the situation was due to fraud, not an accounting error or financial issue; issues with the bank account had been resolved; and, issues with a third-party payment processor affected the large number of payment reversals. (Exh. C-1a)

On March 31, 2021, Nova provided Investigator Bryan Youmans and Field Supervisor Christie Brown ("the Board's agents") a list of properties actively managed by Central Realty from Appfolio, Central Realty's new property management software. Additionally, Nova provided requested leases and property management agreements for examination. (Exh. R-1 and R-1a)

Based on examination of the Appfolio list and leases provided by Nova, along with leases provided by Doyle and Peebles, the Board's agents determined that Central Realty's **escrow liability for security deposits was approximately \$379,265.00**. As of May 10, 2021, **PM Escrow Acct 3614 showed an available balance of \$8,059.47, leaving an approximate escrow shortage of at least \$371,205.52**. (Exh. C-1b, C-2b, R-1, R-1a, R-3, and I-8)

On May 11, 2021, the Board's agents interviewed Nova and Danila Nicotra ("Nicotra"), Office Manager, in person at the Central Realty office location. Nova told the Board's agents that problems among Central Realty's property management software provider, bank accounts, and a third-party payment processor caused the payment reversals from the property owners' accounts. The Board's agents confirmed Central Realty's escrow bank account information with TowneBank and BB&T (Truist). Nova confirmed PM Escrow Acct 3614 held property management security deposits for the firm, and further confirmed that only Nova and Nicotra had access to review the firm's bank accounts. The Board's agents told Nova that Central Realty **did not have sufficient balances in PM Escrow Acct 3614** to cover the security deposit liability for the firm. When asked where the \$300,000.00 plus remaining balance of escrow funds was held, Nova then told the Board's agents Central Realty had another "online" escrow account at EastWest Credit Union ("EWCU") located in Toronto, Canada, and indicated the following:

- He did not know the EWCU escrow account number, had been locked out of the account for about a week, and did not have access to the account. He set up the EWCU escrow account through Daniel Crott ("Crott"), a consulting attorney involved with RE/MAX National, but not an agent or employee of RE/MAX National. He had never met Crott in person, and all communications were done by phone and email. He wire transferred funds directly to Crott for deposit into the EWCU escrow account.

- The EWCU escrow account was funded from Central Realty's TowneBank accounts, where money was transferred from PM Escrow Acct 8977 to Operating Acct 9625, and then directly into the EWCU escrow account. Nova stated that the EWCU escrow account balance was \$489,000.00. Further, Nova stated that an operating account was set up at EWCU at the same time as the escrow account with an account balance of \$141,000.00.
- Nova claimed The Federal Bureau of Investigation ("FBI") was involved in tracking down the EWCU escrow account funds. He gave wire transfer records to the FBI agent the day prior and no longer had the email or the records. When questioned by the Board's agents, he indicated the FBI agent's name was Michael DeShield based out of the FBI Norfolk office.¹
- When questioned by the Board's agents about transfers of approximately \$790,000.00 from Operating Acct 9625, which involved approximately \$300,000.00 originally from PM Escrow 8977 to 3 entities based in Hong Kong, Nova indicated he was only familiar with Good Future Logistics LTD, and said that Crott asked him to transfer the money for the EWCU account to that entity. He acknowledged the amount transferred was consistent with the amount he sent to Crott.
- Nova claimed he had previously used eastwestcu.com to access and view the Central Realty EWCU account funds which confirmed the amounts he told to the Board's agents. Nova provided the Board's agents a printout dated May 10, 2021, which he claimed indicated eastwestcu.com could no longer be reached.²

(Exh. I-9)

A review of Central Realty's bank account statements revealed:

Between May 15, 2020, and August 17, 2020, prior to the August 2020 owners' proceeds payment reversals, approximately \$828,378.60 was transferred among Central Realty's escrow, commissions, and operating accounts into Operating Acct 9625. **At least \$354,000.00 of the transfers into Operating Acct 9625 originated from Central Realty escrow accounts:**

- **\$300,000.00 was transferred from PM Escrow Acct 8977** (Exh. I-10b.ii and I-14a)

¹ However, Nova's attorney, Clay Macon subsequently acknowledged on May 20, 2021, there was not an open FBI investigation, but rather he advised Nova to contact a former FBI agent for a private investigation. (Exh. I-13)

² However, research utilizing the WHOIS domain database revealed that eastwestcu.com was never an actual website. The WHOIS domain database is a listing of all registered domains, and can be used to check domain name availability and history. (Exh. I-11)

- **\$54,000.00 was transferred from Sales Escrow Acct 9676** (Exh. I-10b.iii and I-14a)
- \$195,878.60 was transferred from PM Operating Acct 8918 (Exh. I-10b.v and I-14a)
- \$278,500.00 was transferred from Commissions Acct 9633 (Exh. 12b.vi and 14b)

During the same time period between May 18, 2020, and August 17, 2020, a total of **\$789,923.21** was transferred out of Operating Acct 9625 to three (3) overseas companies in Hong Kong and China via 14 electronic transfers, **which included the \$354,000.00 referenced above from firm escrow accounts PM Escrow Acct 8977 and Sales Escrow Acct 9676:**

- \$200,000.00 to Good Future Logistics LTD
- \$446,923.20 to Hancheng Industrial Co LTD
- \$143,000.00 to Xinheng Import and Export Co
(Exh. I-10b and I-14d)

On May 20, 2021, the Board's agents again advised Nova of the escrow shortage and requested immediate return of the funds to Central Realty escrow accounts. June 1, 2021, was the date given for the funds to be restored into the escrow accounts, which was extended by the Board's agents until June 15, 2021. Upon granting the extension until June 15, 2021, Nova immediately requested another extension. Nova stated he was trying to secure all of the funds to cover the liability with possible new ownership, merger, or acquisition that would be supported by RE/MAX International to make things whole. The Board's agents requested verifiable evidence to be provided of the restoration of escrow funds to the escrow account(s), or of possible new ownership, merger or acquisition. (Exh. I-12)

Since May 20, 2021, Central Realty returned or released some security deposits for Doyle's and Peebles' clients, as well as to other parties. However, the Board's agents were unaware of several of the properties for which security deposits were returned or released because those records were missing from the records Nova provided for examination.³ The return or release of security deposits reduced the approximate original escrow liability of \$379,265.00 by \$11,974.60. **As of July 14, 2021, Central Realty's approximate escrow liability for security deposits is at least \$367,290.40.** (Exh. C-2b, R-1, R-1a, R-2, R-2a, I-7, and I-8)

As of July 14, 2021, the Board's agents have not received any information or evidence from Nova or Central Realty to verify or substantiate that sufficient balances have been

³ \$26,075.00 was reported as released/returned in security deposit funds by Central Realty: \$6,600.00 for Doyle's clients; \$9,675.00 Peebles' clients; and, \$9,800.00 released to other parties.

	\$379,265.00 minimum escrow liability as of 5/21/21 (Exh. I-8, p. 14)
Less	\$367,290.40 minimum escrow liability as of 7/14/21 (Exh. I-8, p. 6)
	\$11,974.60 difference

restored to the firm's escrow accounts, or that the property management business has new ownership, merged, or has been acquired to secure the funds to make up the **escrow liability shortage of at least \$367,290.40.**

Nova's actions of taking and transferring at least \$354,000.00 in security deposit escrow funds into the firm operating account, which resulted in such funds being electronically transferred to overseas companies, constitutes improper, fraudulent or dishonest conduct.

2. Board Regulation

18 VAC 135-20-180. Maintenance and management of escrow accounts.

C. Actions including improper maintenance of escrow funds include:

2. Commingling the funds of any person by a principal or supervising broker or his employees or associates or any licensee with his own funds, or those of his corporation, firm, or association;

Historical Notes:

Derived from VR585-01-1 § 5.3, eff. July 15, 1987; amended, Volume 05, Issue 23, eff. October 1, 1989; Volume 07, Issue 14, eff. May 15, 1991; Volume 08, Issue 13, eff. May 15, 1992; Volume 11, Issue 18, eff. June 28, 1995; Volume 15, Issue 05, eff. January 1, 1999; Volume 19, Issue 12, eff. April 1, 2003; Volume 24, Issue 11, eff. April 1, 2008; Volume 31, Issue 26, eff. November 1, 2015; Volume 34, Issue 05, eff. December 1, 2017; Volume 35, Issue 03, eff. November 1, 2018; Volume 36, Issue 08, eff. January 15, 2020.

Print Date: May 1, 2020

FACTS:

In addition to the facts outlined above:

Between May 15, 2020, and August 17, 2020, at least \$354,000.00 of the funds transferred into Operating Acct 9625 originated from Central Realty escrow accounts:

- \$300,000.00 was transferred from PM Escrow Acct 8977 (Exh. I-10b.ii and I-14a)
- \$54,000.00 was transferred from Sales Escrow Acct 9676 (Exh. I-10b.iii and I-14a)

Between May 18, 2020, and August 17, 2020, a total of **\$789,923.21** was transferred out of Operating Acct 9625 to three (3) overseas companies in Hong Kong and China via 14 electronic transfers, **which included the \$354,000.00 referenced above from firm escrow accounts PM Escrow Acct 8977 and Sales Escrow Acct 9676.** (Exh. I-10b and I-14d)

Nova, as principal broker for Central Realty, commingled at least \$354,000.00 in firm security deposit escrow funds with firm operating account funds.

3. Board Regulation

18 VAC 135-20-240. Provision of records to the board.

Unless otherwise specified by the board, or as set forth in § 54.1-2108 of the Code of Virginia, a licensee of the Real Estate Board shall produce to the board or any of its agents within 10 days of the request evidence of signature cards or bank records, any document, book, or record concerning any real estate transaction in which the licensee was involved, or for which the licensee is required to maintain records for inspection and copying by the board or its agents. The board may extend such time frame upon a showing of extenuating circumstances prohibiting delivery within such 10-day period.

Historical Notes:

Derived from VR585-01-1 § 6.5, eff. July 15, 1987; amended, Virginia Register Volume 5, Issue 23, eff. October 1, 1989; Volume 7, Issue 14, eff. May 15, 1991; Volume 8, Issue 13, eff. May 15, 1992; Volume 11, Issue 18, eff. June 28, 1995; Volume 15, Issue 5, eff. January 1, 1999; Volume 19, Issue 12, eff. April 1, 2003; Volume 31, Issue 26, eff. November 1, 2015.

Print Date: October 1, 2020

FACTS:

In addition to the facts outlined above:

On January 27, 2021, the Board's agents sent a written request, via first class mail, to Nova at Central Realty's address of record of 780 Lynnhaven Parkway, Suite 120, Virginia Beach, Virginia 23452, requesting the following documents by February 19, 2021:

1. A list of all properties currently or previously managed by Central Realty, from January 1, 2020, through current date;
2. The security deposit amounts for each of the properties identified in line item 1;
 - a. Identify who holds/held the security deposits for each of the properties;
3. Copies of all current leases and property management agreements for all properties managed by Central Realty;
4. Copies of all expired leases where the security deposit has not been returned to the tenant or owner;
5. The date rental proceeds are due from tenants of properties managed by Central Realty, as well as the date owner disbursements are made;
6. A list of all current pending sales contract for Central Realty, as well as a list of all pending sales contracts in August 2020;

- 7.** A list of the earnest money deposits held by Central Realty for all current pending sales contract and August 2020 pending sales contracts, as well as the amount of each earnest money deposit;
- 8.** The number of bank accounts Central Realty currently and/or previously held for the time period covering January 1, 2020, through current date;
 - a. Identify the bank where these accounts are and/or were held
 - b. Provide the bank account numbers and the type of account (i.e. operating, escrow, etc.) for each bank account;
- 9.** Do the Central Realty branch offices have independent escrow functions?
 - a. If so, identify which branch and what functions;
- 10.** A complete list of all properties where owner proceeds were reversed from owner bank accounts on or about August 20, 2020;
 - a. Include property address, owner name, tenant name, and amount taken from owner bank account,
- 11.** Repayment status of owner proceeds for each of the properties identified in line item 10;
- 12.** Supporting documentation of the owner proceeds reversals and subsequent repayments and;
- 13.** An explanation for the cause of the owner proceeds reversals and supporting documents.

(Exh. I-4)

On March 31, 2021, Nova provided the Board's agents a list of properties actively managed by Central Realty from Appfolio, which included the security deposit amount for each property. Additionally, Nova provided requested leases and property management agreements for examination as well as a list of bank accounts currently and previously held by Central Realty. (Exh. R-1 and R-1a)

On May 11, 2021, based on a review of the Appfolio list of properties in comparison with the leases and property management agreements provided by Nova, the Board's agents requested Nova provide documentation for the properties listed on the Appfolio list that did not have any supporting documentation to match. The Board's agents also requested Nova provide the status of security deposits for a list of Peebles' properties that were not included on Nova's Appfolio list. (Exh. I-9)

On May 28, 2021, Central Realty provided documentation to support some of the properties listed on the Appfolio list that did not have supporting documents; however, documentation to support all of the properties listed on the Appfolio list was not provided. (Exh. R-2 and R-2a)

A comparison of the documentation provided by Central Realty to information provided by Peebles and Doyle revealed at least 55 properties for which Nova either failed to

provide leases, and/or property management agreements, and/or complete information regarding security deposits. (Exh. I-8 p. 22 and I-8 p. 26)

Nova failed to produce to the Board's agent's, within 10 days of the request: a list of all properties currently or previously managed by Central Realty from January 1, 2020, through January 27, 2021; the security deposit amounts for each property; copies of all current leases and property management agreements for all properties managed by Central Realty; and, copies of all expired leases where the security deposit had not been returned to the tenant or owner, as outlined in numbers **1**, **2**, and **3** of the written request.

4. Board Regulation

18 VAC 135-20-260. Prohibited Acts.

The following are prohibited acts:

11. Actions constituting failing to act as a real estate broker or salesperson in such a manner as to safeguard the interests of the public, including but not limited to the following:
 - f. A broker failing to account for or remit any moneys coming into a licensee's possession that belong to another;

Historical Notes:

Derived from VR585-01-1 § 6.7, eff. July 15, 1987; amended, Virginia Register Volume 5, Issue 23, eff. October 1, 1989; Volume 7, Issue 14, eff. May 15, 1991; Volume 8, Issue 13, eff. May 15, 1992; Volume 11, Issue 18, eff. June 28, 1995; Volume 15, Issue 5, eff. January 1, 1999; Volume 19, Issue 12, eff. April 1, 2003; Errata, 19:14 VA.R. 2176, 2177 March 24, 2003; amended, Virginia Register Volume 31, Issue 26, eff. November 1, 2015.

Print Date: May 1, 2020

FACTS:

In addition to the facts outlined above:

Since May 20, 2021, Central Realty returned or released some security deposits for Doyle's and Peebles' clients, as well as to other parties. However, several of the properties for which security deposits were returned or released were not included in the records Nova provided for examination. (Exh. C-2b, R-1, R-1a, R-2, R-2a, I-7, and I-8, pp. 22-25)

Nova failed to account for several properties' security deposits which came into the firm's possession and belonged to others.