

NEW JERSEY REAL ESTATE COMMISSION

NEW JERSEY REAL ESTATE COMMISSION,)	DOCKET NO.: MER-15-023
)	REC REF. NO.: 12-28184
Complainant,)	
)	
v.)	FINAL DECISION AND ORDER
)	
DOUGLAS BULLOCK, a licensed ¹ New Jersey)	
real estate salesperson, License Ref. No.)	
0448344 and ALLSTATES LOSS MITIGATION,)	
an unlicensed entity,)	
)	
Respondents.)	

This matter was heard at a plenary hearing by the New Jersey Real Estate Commission (“Commission”) in the Department of Banking and Insurance, State of New Jersey in the Commission Hearing Room, 20 West State Street, Trenton, New Jersey on February 23, 2016.

BEFORE: Commissioners Linda Stefanik, Eugenia Bonilla, Denise Illes, and Cindy Marsh-Tichy.

APPEARANCES: Marianne Gallina, Regulatory Officer, appeared on behalf of the complainant, the New Jersey Real Estate Commission staff (“REC”). Respondent Douglas Bullock (“Bullock”) and Respondent Allstates Loss Mitigation (“Allstates”), collectively “Respondents,” did not appear or otherwise respond despite proper service of the Order to Show

¹ The licensing records indicate that Douglas Bullock was first licensed as a real estate salesperson on February 10, 2004. He failed to renew his license on June 30, 2011. He became active again as a referral agent on June 28, 2013 and obtained a salesperson’s license on July 31, 2014. His salesperson’s license was not renewed on June 30, 2015. Thus, Respondent Bullock was not licensed at the time the Order to Show Cause was issued nor during the time the events alleged in the Order to Show Cause took place.

Cause (“OTSC”) filed against them in this matter, and the proper service of the letter scheduling the hearing.

PROCEDURAL HISTORY

The REC initiated this matter on its own motion through service of an OTSC dated December 1, 2015 pursuant to N.J.S.A. 45:15-17, N.J.S.A. 45:15-18, N.J.S.A. 45:15-19.2,² and N.J.A.C. 11:5-1.1 et seq. The OTSC charges that Respondents engaged in unlicensed activity in violation of N.J.S.A. 45:15-1 and 3. It also alleges that Respondents demonstrated unworthiness, incompetency, bad faith, and dishonesty, and engaged in fraud or dishonest dealing in violation of N.J.S.A. 45:15-17e and 17l in engaging in unlicensed brokerage activity and failing to return a \$5,000³ deposit when a short sale transaction was unsuccessful.

On or about December 1, 2015, the OTSC was served on each Respondent by certified mail and regular mail.⁴ The certified mail sent to each Respondent was returned to the REC on January 5, 2016 as unclaimed. The regular mail was not returned to the REC.

Respondents did not file an Answer or otherwise respond to the OTSC, and on January 13, 2016, the Commission deemed this matter uncontested and directed that a proof hearing be

² N.J.S.A. 45:15-19.2 provides that the Commission may suspend the license of a licensee pending trial on an indictment for certain enumerated offenses, including crimes involving, related to, or arising out of the licensee’s activities as a real estate licensee. The OTSC does not seek the suspension of Respondent’s license based on this statutory cite, nor did the REC seek such relief at the hearing.

³ The Order to Show Cause referenced a \$4,500 cashier’s check provided to Respondent Bullock. Based on the testimony at the hearing, it was modified to also include a \$500 cash deposit.

⁴ The OTSC and cover letter were sent to Respondent Bullock at his home address of 73 Oak Lane, Trenton, New Jersey 08618; and to Respondent Allstates at 73 Oak Terrace, Trenton, New Jersey 08816. They were also sent via email to Bullock@HNPS.net, an email address through which Respondent Bullock communicated with the REC investigator in the course of the investigation of this matter.

scheduled. Notice of the proof hearing was sent to Respondents on January 14, 2016 by certified and regular mail.⁵ Neither mailing has been returned to the REC.

A proof hearing was conducted on February 23, 2016 at which the following exhibits were admitted into evidence:

- S-1 Buyer Loss Mitigation Agreement dated 02/01/12 between Ida Hall and Allstates Loss Mitigation, LLC/Douglas Bullock;
- S-2 Cashier's check dated 01/31/12 payable to Douglas Bullock in the amount of \$4,500 by Raymond D. Barrolle;
- S-3 REC licensing records for Douglas Bullock;
- S-4 LinkedIn profile for Douglas Bullock/Allstates Loss Mitigation;

- S-5 Email correspondence between REC investigator Sean Smith and Douglas Bullock dated in March 2015;
- S-6 Front and back of the negotiated Cashier's Check dated 01/31/12 from Raymond Barrolle to Douglas Bullock in the amount of \$4,500; and

- S-7 Current REC licensing panel for Douglas Bullock.

TESTIMONY OF THE WITNESSES

Sean Smith

Sean Smith, who is employed as an investigator by the REC, testified on behalf of the REC. Investigator Smith ("Inv. Smith") testified that he was assigned to investigate a complaint filed by Sandra Barrolle ("Barrolle") alleging Bullock failed to return money in a real estate

⁵ The January 14, 2016 notice of the scheduled proof hearing was sent by certified mail (7012 0470 0002 1098 7015) and regular mail to Respondent Bullock at 73 Oak Lane, Trenton, New Jersey 08618, and by email to Bullock@HNPS.net. It was also resent to the same email on February 17, 2016.

transaction that did not go through. Inv. Smith testified that he spoke to Barrolle and located the LinkedIn profile for Respondents Allstates and Bullock. (S-4). Inv. Smith stated that according to the REC licensing records, Respondent Bullock's real estate license was inactive in 2012 as it had expired on June 30, 2011 and had not been renewed at that time. (S-3). Respondent Bullock engaged in business through Respondent Allstates. Inv. Smith met Respondent Bullock in person in or about December 2014. By email in March 2015, Respondent Bullock stated to Inv. Smith that he handed the uncashed certified check back to the Barrolle family when the deal did not go through. (S-5). Inv. Smith obtained the front and back of the check from Chase Bank which indicated that the check was negotiated on February 8, 2012 by Respondent Bullock. (S-6).

Sandra Barrolle

Sandra Barrolle, complainant and victim, testified that she was introduced to Respondent Bullock by a friend. Barrolle stated that she informed Respondent Bullock that she wanted to help her daughter, Ida Hall, buy a house in Trenton near her house. Respondent Bullock told her that he could help her purchase a home for about \$15,000 to \$20,000. Respondent Bullock then showed Barrolle and her family members a home at 940 Carteret Avenue in Trenton, and she provided Respondent Bullock \$500 in cash and a \$4,500 certified check (S-2) from family funds, per the agreement her daughter signed with Respondents. Barrolle was advised that the deal fell through, and asked Respondents for the money back but has not received it. She testified that she contacted the Trenton Police and the REC.

FINDINGS OF FACT

Based on the pleadings, the testimony of the witnesses, and the undisputed documentary evidence duly admitted into the record, the Commission makes the following findings of fact:

1. Respondent Douglas Bullock was a licensed New Jersey real estate salesperson with EZ-VIP Realty, LLC, from February 10, 2004 through June 30, 2011 and his license was inactive from June 30, 2011 through June 27, 2013. His license was active from June 28, 2013 through June 30, 2015, the date it expired. (S-3). It has not been renewed or reinstated. (S-7).

- ~~2. Respondent Allstates Loss Mitigation is an unlicensed entity and Respondent Bullock is the principal of the entity.~~
3. In January 2012, Respondent Bullock showed the property located at 940 Carteret Avenue, Trenton, N.J. to Sandra Barrolle and her family.

4. On or about February 1, 2012, Ida Hall, Sandra Barrolle's daughter, signed a "Buyer Loss Mitigation Agreement" with Respondents Allstates and Bullock to assist in short sale negotiations for their purchase of the property located at 940 Carteret Avenue, Trenton, N.J. (S-1).
5. On or about January 31, 2012, Raymond Barrolle, Sandra Barrolle's nephew, obtained a \$4,500 cashier's check with pooled family funds. On or about January 31, 2012, Sandra Barrolle tendered the \$4,500 cashier's check and \$500 in cash to Douglas Bullock pursuant to the Buyer Loss Mitigation Agreement her daughter signed. (S-2).

6. In January and February 2012, Respondent Bullock was not a real estate licensee with an active license in the State of New Jersey, nor was Respondent Allstates. (S-3).
7. On or about February 8, 2012, Respondent Bullock cashed the cashier's check. (S-6).
8. The complainants repeatedly requested the return of their funds when the short sale transaction was unsuccessful and as of the date of the hearing, February 23, 2016, Respondents Bullock and Allstates failed to return the funds.
9. In March 2015, REC Investigator Smith had email communication with Respondent Bullock. (S-5). Respondent Bullock stated that he never cashed the \$4,500 check.

CONCLUSIONS OF LAW

In light of the above findings of fact, the Commission makes the following conclusions of law with regard to the charges contained in the OTSC and summarized above:

1. Respondents Bullock and Allstates violated N.J.S.A. 45:15-1 and 3 in that they engaged in unlicensed real estate brokerage activity in the attempted sale of 940 Carteret Avenue, Trenton, N.J.
2. Respondents Bullock and Allstates violated N.J.S.A. 45:15-17e in that their unlicensed real estate brokerage activity and the failure to return \$5,000 to the potential buyers related to the attempted purchase of 940 Carteret Avenue, Trenton, N.J. demonstrates unworthiness, bad faith, and dishonesty.

3. Respondent Bullock and Allstates violated N.J.S.A. 45:15-171 in that they have engaged in fraud and dishonest dealing by falsely representing that they had the authority to assist the potential buyers related to the attempted purchase of 940 Carteret Avenue, Trenton, N.J., and failing to return the \$5,000 to the potential buyers when the purchase failed to occur.

DISCUSSION

At the conclusion of the hearing and executive session in this matter, the Commission voted in favor of finding the violations and imposing the sanctions described in this Final Decision and Order. ~~In arriving at the determination in this matter, the Commission took into~~ consideration the testimony of the witnesses and the undisputed documentary evidence admitted at the hearing. The Commission also considered the serious nature of and the circumstances surrounding the Respondents' actions.

The Real Estate License Act, N.J.S.A. 45:15-1 et seq. ("Act"), charges the Commission with the "high responsibility of maintaining ethical standards among real estate brokers and sales[persons]" in order to protect New Jersey real estate consumers. Goodley v. New Jersey Real Estate Commission, 29 N.J. Super. 178, 181-182 (App. Div. 1954). The nature and duties of a real estate business are grounded in interpersonal, fiduciary, and business relationships and demand the utmost honesty, trust, and good conduct. Maple Hill Farms, Inc. v. New Jersey Real Estate Commission, 67 N.J. Super. 223, 232 (App. Div. 1961); Division of New Jersey Real Estate Commission v. Ponsi, 39 N.J. Super. 526, 527 (App. Div. 1956). Courts have long recognized that the real estate sales industry should exclude individuals who are incompetent,

unworthy, and unscrupulous, in order to protect the public interest. See Division of New Jersey Real Estate Commission v. Ponsi, supra, 39 N.J. Super. at 532-533. Thus, the Commission has the power to suspend, revoke, or place on probation the license of any licensee for “any conduct which demonstrates unworthiness, incompetency, bad faith or dishonesty.” N.J.S.A. 45:15-17e.

The facts in this matter demonstrate that in January and February 2012, when the Respondents were not licensed, Respondents represented themselves as real estate licensees by offering to assist the Barrolle family in their purchase of a home. Because Respondents were not licensed by the Commission at that time, this conduct is unlicensed brokerage activity, in violation of N.J.S.A. 45:15-1 and 3. Moreover, Respondents took \$5,000 (\$4,500 by check and \$500 cash) from the Barrolle family related to that purchase. Respondent Bullock cashed the \$4,500 check, although he denied doing so to the REC Investigator. The purchase of the home did not occur, and Respondents did not return the funds to the Barrolle family despite being requested to do so. Such conduct demonstrates unworthiness, bad faith, dishonesty, fraud, and dishonest dealing, in violation of N.J.S.A. 45:15-17e and 17l.

The nature and duties of the real estate brokerage business are grounded in interpersonal, fiduciary, and business relationships that demand the utmost honesty, trust, and good character. Maple Hill Farms, Inc., supra, 67 N.J. Super. 223, 232 (App. Div. 1961). In many instances significant sums of money are placed within the control of the licensee. These facts emphasize that the very nature of the real estate profession requires unequivocal honest and the good moral character of its practitioners. For these reasons, it is necessary to revoke Respondent Bullock’s eligibility for a real estate license for life. Such a penalty is consistent with prior imposed sanctions for similar conduct. See, e.g., NJREC v. Lisa Smith and Jasper Realty, Final Order of

Determination, Docket No. ATL-08-045 (03/02/10) (Smith's salesperson's license and both Respondents' broker eligibility revoked for life and a fine of \$45,000 imposed when Jasper Realty and Smith engaged in real estate brokerage activity and accepted commissions without being licensed as real estate brokers.)

Pursuant to N.J.S.A. 45:15-17, the Commission may impose a penalty of not more than \$5,000 for the first violation of the Act, and a penalty of not more than \$10,000 for any subsequent violation. In Kimmelman v. Henkels & McCoy, Inc., 108 N.J. 123 (1987), the Supreme Court established the following seven factors to evaluate the imposition of fines in administrative proceedings and these factors are applicable to this matter which seeks the ~~imposition of penalties under the Act: (1) the good or bad faith of the respondent; (2) the~~ respondent's ability to pay; (3) amount of profits obtained from the illegal activity; (4) injury to the public; (5) duration of the illegal activity or conspiracy; (6) existence of criminal or treble actions; and (7) past violations. Kimmelman v. Henkels & McCoy, Inc., 108 N.J. at 137-139. Analysis of these factors in this matter requires the imposition of a significant fine.

First, the Respondents demonstrated bad faith by offering to assist the prospective buyers in purchasing a home when they were not licensed to do so. Moreover, the Respondents demonstrated bad faith by accepting a \$5,000 deposit from the Barrolle family and failing to return it when the transaction did not take place. Further, bad faith was shown by Respondent ~~Bullock when he stated to Inv. Smith that he never cashed the Barrolle family check and gave it~~ back to Barrolle when in fact he had cashed it.

Second, there is no evidence in the record concerning Respondents' ability to pay.

Factors three and five require determinations of how much profit was obtained from the illegal activity and the duration of time the activity took place. By purporting to be authorized to do so, Respondents obtained \$5,000 from the Barrolle family and wrongfully failed to return the money when the purchase of the home did not occur. Respondents accepted the money from the Barrolle family in January or February 2012. Thereafter, they failed to return the money despite requests to do so.

Fourth, in order to protect consumers, the Commission is charged with the “high responsibility of maintaining ethical standards among real estate brokers and sales[persons].” Goodley, supra, 29 N.J. Super. at 182. The public is harmed when individuals in a fiduciary ~~position-violate-their-responsibilities-and fail to comply with the Commission’s regulations.~~ In this case, Respondents violated their responsibilities by failing to maintain real estate licenses when engaging in real estate brokerage activity, by retaining the \$5,000 deposit when the purchase of the home did not occur, and by maintaining the position that Respondent Bullock returned the \$4,500 check and did not cash it when the documents indicate that Respondent Bullock cashed that check. Also, the public’s confidence in the real estate industry is eroded when a person purports to be authorized to act as a real estate licensee when they are not and then is unable to conduct him or herself in accordance with the high standards expected of the real estate profession. The Respondent, therefore, displayed character that is contrary to the ~~principal intent behind the Act: to “protect consumers by excluding undesirable, unscrupulous~~ and dishonest persons...from the real estate business.” Sammarone v. Bovino, 395 N.J. Super. 132 (App. Div.), 193 N.J. 275 (2007); see also Tobias v. Comco/America, Inc., 96 N.J. 173, 180 (1984); Kazmer-Standish Consultants, Inc. v. Schoeffel Instruments Corp., 89 N.J. 286, 290

(1982); and Markheim-Chalmers, Inc. v. Masco Corp., 332 N.J. Super. 452, 457 (App. Div. 1999). This factor weighs in favor of assessing a large monetary penalty.

Sixth, the Commission is not aware of whether Respondents have been a party to criminal or civil proceedings stemming from the conduct at issue here. Barrolle testified that she filed a complaint with the Trenton police, but no testimony or documents were provided as to whether Respondents were ever criminally charged.


Lastly, there is no evidence of prior violations of the Act or real estate regulations by the Respondents.

Accordingly and pursuant to N.J.S.A. 45:15-17, the Commission imposes the following sanctions:

- I. Respondent Douglas Bullock's eligibility to obtain a real estate license is revoked for life; and
- II. Respondents shall pay a fine in the amount of \$10,000.

SO ORDERED this 1st day of May, 2017.

By: Linda Stefanik, President
Eugenia K. Bonilla, Vice President
Denise Illes, Commissioner
Cindy Marsh-Tichy, Commissioner


Robert L. Kinniebrew
Executive Director
New Jersey Real Estate Commission