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## About Pam Strickland

Pam is a Real Estate Broker from Santa Barbara with over 35 years experience in Real Estate and Mortgage Lending.

Past-President, CAMB (California Association of Mortgage Brokers). Selected Mortgage Broker of the Year in 1992 by the CAMB and in 1993 by the NAMB (National Association of Mortgage Brokers).

Member, National Mortgage Review Committee for the SAFE Act Mortgage Test.

Member, California Mortgage Review Committee for the SAFE Act Mortgage Test.

Member, National Legal Review Committee for the SAFE Act Mortgage Test.

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Any recommendations contained in this newsletter are based on Pam's many years of personal

## Fictitious Business Names and Unauthorized Activities...Oh, my!



### Fictitious Business Names

The California Bureau of Real Estate (CalBRE) rules and regulations are clear that any name used by a licensee must be a valid Corporation name or Fictitious Business Name (filed with both the county and the CalBRE). ANY variation of the name that is used by a Corporation, Broker or Licensee (Salesperson or Broker-Associate) can be the basis for an accusation and fine. A very common violation cited is simply a Corporation dropping the word "Inc." from the name in advertising, websites, signage, logos or business cards. More common is Salespersons or Broker-Associates using team names without the Corporation first getting that name added as a Fictitious Business Name with the county and the CalBRE. Do you monitor this? Do you make sure that every name used is a name that has been filed with the CalBRE? How do you monitor this? Beware!

### Unauthorized Activities

Another common violation is Salespersons or Broker-Associates engaging in activities that aren't approved by the Designated-Officer or Broker and generally unknown to the supervising Broker. Most often these activities concern fee-based property management. Several times in the last few weeks I have seen the CalBRE contact the supervising Broker asking questions about the company's property management activities and the supervising Broker insists that there are no property management activities being conducted by the company or any of the Salespersons or Broker-Associates. The supervising Broker insists that there is no Trust Account being maintained, either. Then the CalBRE auditor or Special Investigator shows the supervising Broker the website maintained by the rogue Salesperson or Broker-Associate that is advertising property management services. Additionally, the CalBRE has instituted a "secret shopper" program and has called the number on the website and chatted with the Agent regarding property management, being assured that the Agent can and does conduct property management activities and would be happy to help the caller! Bad news for the supervising Broker, as you can imagine. Do you know what ALL of your agents are doing? Do you monitor their websites? Beware!

### Required Disclosures

Make sure that the personal CalBRE number (and personal NMLS unique ID number, if applicable) of any Broker, Broker-Associate or Salesperson is being used on any document, business card, website, brochure, correspondence, etc. Also, if TEAM NAMES are being used, there are additional requirements for the Corporation/Broker name and number to be disclosed (including on FOR SALE signs). Monitor this closely!

### Review of Websites

Salesperson or Broker-Associates using unlicensed Fictitious Business Names, engaging in and advertising unauthorized activities (especially property management or loan modifications), and not having the correct disclosures on their websites has become such a big problem that I have started offering a service where I will review the websites

experience and research in the Real Estate industry and must not be considered legal advice. Please consult with appropriate legal counsel for further clarification.

Contact Pam at:

[pam@pamstrickland.com](mailto:pam@pamstrickland.com)

To schedule an appointment, call Bob MacLeod: **(805) 682-8784**.

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of all the agents of a company. I not only review the websites that the agent discloses (the Broker sends me a list of all the websites used by the company and the agents), but I also Google each agent's name individually to look for any "hidden" websites (comes up a lot more than you would think!) and any Fictitious Business Names being used by the agent that the Broker doesn't know about. I then give a full report to the Broker with my findings and the instructions as to how to fix any problems. Better us discovering it before the CalBRE finds it (either through web-surfing or from a complaint), possibly resulting in a large fine. Don't be blindsided by a call from the CalBRE. Contact me at [pam@pamstrickland.com](mailto:pam@pamstrickland.com) for more information about this new service.

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## Trust Funds

And, once again, I bring up the issue of TRUST FUNDS. Do you know if your individual agents are accepting trust funds? Do you have policies and procedures in place that monitor all activities of your agents (Salesperson or Broker-Associates) and staff to insure that any Trust Funds are being handled correctly? True story: Broker gives "trusted" accountant a stack of pre-signed checks. Broker has multiple Trust Accounts for property management company. Broker is busy generating new business and working with clients, thinking he is safe in the knowledge that his Trust Accounts are being handled correctly. Broker doesn't realize that the accountant is using Trust Accounts as a personal slush fund to the loss of over \$500,000 to clients. Broker discovers through subsequent investigation that the "trusted" accountant had previously served time in another state for fraud and embezzlement for (you guessed it) stealing from Trust Accounts. And, you know the saddest part of this story? I see it happening over and over. I wish I could tell you this is an anomaly. It isn't...it is rampant. Beware!

## Compliance Consulting

For a thorough evaluation of your company's compliance with the multitude of regulations that pertain to the real estate industry, Pam is available for private, confidential in-office consulting. She can also help you prepare for and get through a CalBRE audit. Further information is available on her website: [www.pamstrickland.com](http://www.pamstrickland.com)