



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

1560 Broadway, Suite 925
Denver, CO 80202-5111

MINUTES

COLORADO REAL ESTATE COMMISSION MEETING October 7, 2025

MINUTES - INDEX

	<u>PAGE</u>
ADJOURN	22
CE CREDIT - RULE 4.5H	3
COMPLAINT MATTERS:	
A. Complaint #2025-1118 (AR)	7
B. Complaint #2024-2298 (BB)	7
C. Complaint #2025-157 (RY)	8
D. Complaint #x2025-33 (MF)	8
E. Complaint #2024-2148 (JM)	9
F. Complaint #x2025-65 (MA)	10
G. Complaint #2025-453 (NAM)	11
H. Complaint #x2024-124 (RR)	12
I. Complaint #x2025-15 (MH)	13
J. Complaint #x2025-66 (DR)	14
K. Complaint #2025-194 (LW)	14
L. Complaint #2025-1995 (AE)	15
M. Complaint #2024-555 (CV)	15
N. Complaint #2025-303 & 2025-351 (PG)	16
O. Complaint #2024-1556 (CL)	17
P. Complaint #x2025-104 (JM)	18
Q. Complaint #x2024-10 (PS)	19
EXECUTIVE SESSION	
Hearing Matter - Case RC 2023-0010	4
Policy Matters	4
Clarification on Statutes	5
ESP MATTERS:	
A. Complaint #2025-94 (JM)	21

B. Complaint #2024-2227 (AS)	21
C. Complaint #2024-2074 (RV)	22
D. Complaint #2023-2424 (AW)	22
E. Complaint #2025-2119 (AC)	22
HEARING MATTERS:	
A. CREC vs. Rachel Justman, RC 2023-0010	4
LICENSING MATTERS:	
A. Complaint #2025-1662 (BS) - PAO	20
B. Complaint #2025-1269 (MT) - Application	21
C. Complaint #2025-1560 (JM) - Application	21
MINUTES APPROVAL	
August 5, 202	3
NON-RULEMAKING - COMMISSION FORMS	
Manufactured Home Addendum	6
Listing Contracts	6
Closing Instructions	6
POLICY MATTERS:	
2026 Meeting Dates	5
Draft Rules - Client Informed Consent	5
Commission Position 22	5
Commission Position 31	22
PUBLIC COMMENT	3

MINUTES
COLORADO REAL ESTATE COMMISSION MEETING
October 7, 2025
Colorado Division of Real Estate
Meeting Conducted Via Webinar

A Colorado Real Estate Commission public meeting was conducted via Webinar and was held on October 7, 2025. Those Commissioners in attendance were Renee Lynde -Chair; Eriqueca Sanders, Vice-Chair; Bernadette Bugarin; Erika Doyle; and Autymn Rubal. Also attending were Marcia Waters, Director; Garred Lyle, Deputy Director; David Donnelly, Education, Communication and Policy Manager; Melissa Phipps, Senior Advisor; Penny Elder, ESP Program Manager; Sarah Halloran, Investigations Team Lead; Eddie Rose, Investigations Team Lead; Nicole Tribelhorn, Investigations Team Lead; and other members of the Commission's Staff. Irina Grohne and Gina Simonson attended from the Office of the Attorney General.

Notice of the meeting was timely published and the meeting was held pursuant to the Colorado Sunshine Laws, Title 24, Article 6, C.R.S., as amended.

The meeting was conducted via Webinar. The meeting was called to order by Commissioner Lynde - Chair, at 9:00 a.m.

CE Credit for Attending -

David Donnelly, Communication and Policy Manager, conducted a poll so that those attendees wishing to receive CE credit for attending the meeting could submit their request. Per Commission Rule 4.5H, CE credit will be granted for qualifying attendance at a Real Estate Commission meeting that lasts a minimum of two (2) hours.

ORDER OF BUSINESS

Approval of Minutes - August 5, 2025

It was moved by Commissioner Doyle and seconded by Commissioner Sanders to approve the Minutes of August 5, 2025 as written.



CREC Minutes_August
5, 2025.pdf

Motion unanimously carried.

PUBLIC COMMENT:

- Ray Brienza
- Tyrone Adams
- Kent Levine
- Keith Alba
- Lori Miller

HEARING MATTERS:

Colorado Real Estate Commission v. Rachel Justman, Case No. RC 2023-0010

NOTE: Commissioner's Lynde and Doyle recuse themselves from consideration of Hearing Matter RC 2023-0010 and leave the webinar at 9:21 a.m. Commissioner Sanders assumes the duties as Chair.

EXECUTIVE SESSION:

At 9:21 a.m. it was moved, seconded and approved by more than two-thirds vote by the Commission that pursuant to §24-6-402(3)(a)(II), C.R.S., to convene the Colorado Real Estate Commission into Executive Session for the purpose of receiving legal advice on specific legal questions regarding Case No. RC 2023-0010.

Motion carried.

Sue Kim is present as Conflicts Counsel. She is joined by Felice Haas and Sarah Bomgardner from the Attorney General's Office.

Executive Session is conducted via Google Hangout Meeting.

The Commission adjourned out of Executive Session at 10:03 a.m. and resumed meeting via webinar that is open to the public.

It was moved by Commissioner Rubal and seconded by Commissioner Bugarin to table Hearing Matter RC 2023-0010 for consideration until the CREC Meeting scheduled on December 2, 2025.

Motion carried.

NOTE: Commissioner Lynde and Commissioner Doyle return to the webinar at 10:06 a.m. Commissioner Lynde resumes the duties as Chair.

EXECUTIVE SESSION:

At 10:06 a.m. it was moved, seconded and approved by more than two-thirds vote by the Commission that pursuant to §24-6-402(3)(a)(II), C.R.S., to convene the Colorado Real Estate Commission into Executive Session for the purpose of receiving legal advice on specific legal questions for the following matters noticed on this agenda.

- Policy Matter B - Draft Rules - Client Informed Consent
- Policy Matter C - Proposed Commission Position 31 - Management of Confidential Client Information by an Employing Broker
- Policy Matter D - Draft Revisions to Rule 6.17 - Duty to Disclose Conflict of Interest and License Status
- Policy Matter E - Proposed Revisions to Commission Position 22 - Conflicts of Interest
- Forms presented for Non-Rulemaking Hearing

Motion unanimously carried.

Gina Simonson and Irina Grohne are present from the Attorney General's Office.

Executive Session is conducted via Google Hangout Meeting.

The Commission adjourned out of Executive Session at 11:02 a.m. and resumed meeting via webinar that is open to the public.

POLICY MATTERS:

2026 CREC Meeting Dates -

February 3, 2026
April 7, 2026
June 2, 2026 (in GJ)
August 4, 2026
October 6, 2026
December 1, 2026

Draft Rules - Client Informed Consent -

It was moved by Commissioner Lynde to table the removal of section 5.3 from all the listing contracts and to table the changes to the rules and Commission Position Statements until the Commission receives clarification from the Legislature. Commissioner Lynde moved to direct Division staff to get clarity on what the Legislature meant when they drafted and approved the statutes.

There is no second to the motion. **Motion fails.**

EXECUTIVE SESSION:

At 11:34 a.m. it was moved, seconded and approved by more than two-thirds vote by the Commission that pursuant to §24-6-402(3)(a)(II), C.R.S., to convene the Colorado Real Estate Commission into Executive Session for the purpose of receiving legal advice on specific legal questions regarding seeking legislative clarification on statutes.

Executive Session is conducted via Google Hangout Meeting.

The Commission adjourned out of Executive Session at 11:54 a.m. and resumes meeting via webinar that is open to the public.

Commission Position Statement 22 -

It was moved by Commissioner Doyle and seconded by Commissioner Rubal to accept the revisions and adopt Commission Position Statement 22 - Conflicts of Interest.



Commission Position
22 - Conflicts of Interest

Motion unanimously carried.

Rulemaking Regarding Commission Position 31 and Commission Position 22 -

It was moved by Commissioner Rubal and seconded by Commissioner Doyle to direct the Division to proceed with Rulemaking at the December meeting regarding Commission Position 31 - Management of Confidential Client Information by an Employing Broker; and Commission Position 22 - Conflicts of Interest.

Motion unanimously carried.

Non-Rulemaking Hearing - Commission Approved Forms -

Manufactured Home Addendum to Contract to Buy and Sell Real Estate -

It was moved by Commissioner Sanders and seconded by Commissioner Doyle to approve the Manufactured Home Addendum to Contract to Buy and Sell Real Estate as amended.



Manufactured Home
Addendum REDLINES.

Motion unanimously carried.

Closing Instructions -

It was moved by Commissioner Sanders and seconded by Commissioner Doyle to approve the Closing Instructions, retaining the original language.



Closing Instructions
REDLINE.pdf

Motion unanimously carried.

Listing Contracts -

It was moved by Commissioner Rubal and seconded by Commissioner Bugarin to approve the the listing Contracts as follows:

- Exclusive Right-to-Lease Listing Contract
- Exclusive Tenant Listing Contract
- Exclusive Right-to-Buy Listing Contract
- Exclusive Right-to-Sell Listing Contract



Exclusive Right To Buy Listing Contract



Exclusive Right to FLease Listing Contract



Exclusive Right to Sell Listing Contract



Exclusive Tenant Listing Contract

Motion unanimously carried.

COMPLAINT MATTERS:

NOTICE: The following complaint matters contain summaries of investigative findings and disciplinary recommendations of Division staff. Ultimate settlement terms, imposition of discipline or findings of license law violations may differ from those originally considered by the Commission.

A. Complaint #2025-1118 (AR) -

The investigative report concerning a complaint filed against the respondent in Complaint #2025-1118 (AR) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. On May 23, 2025, the respondent was convicted of Burglary 1 / Assault Menace, a Class 3 Felony and Assault 3 - Know/Reckless Cause Injury, a Class 1 Misdemeanor. The respondent was ordered to complete a three-year deferred sentence for Count 1. The deferred sentence is ongoing and will be reviewed on May 23, 2028. The respondent was also ordered to pay \$2,296.50 in court costs and fines and complete three years of supervised probation. The fine has been paid, and this matter was self-reported to the Division as required; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(n), C.R.S. - conviction/plea to specified crimes; and
- C. The respondent's settlement offer includes a Stipulation for Diversion;
- D. He will be required to pay a fine to the Commission in the amount of \$250; and
- E. His real estate broker's license shall be on probation concurrent with the criminal sentence.

Motion unanimously carried.

B. Complaint #2024-2298 (BB) -

The investigative report concerning a complaint filed against the respondent in Complaint #2024-2298 (BB) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law.

- A. The complainant (buyer) alleged that the respondent (listing broker) represented in both the MLS listing sheet and a marketing flyer that a one-year home warranty was to be included in the sale of the property. However, the warranty was not provided. Several months after the closing, when the complainant attempted to use the warranty, the home warranty company informed her that no such policy had been purchased by the respondent. The investigation found that the home warranty was not purchased, contrary to the representations made in the property's advertising; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(c), C.R.S. - deliberate misrepresentation/false promise;
 - b. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice; and
- C. The respondent's settlement offer includes a Stipulation for Diversion;
- D. He will be required to pay a fine to the Commission in the amount of \$1,000; and

- E. He will be required to successfully complete real estate education in Ethics.

Motion unanimously carried.

C. Complaint #2025-157 (RY) -

The investigative report concerning a complaint filed against the respondent in Complaint #2025-157 (RY) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The complaint who was the respondent's employing broker, alleges that the respondent was representing himself in several real estate transactions unbeknownst to him. The complainant alleged that the respondent failed to provide the brokerage firm with his transaction documents. Further, the respondent failed to establish a brokerage relationship; and
- B. This is a possible violation of:
 - a. § 12-10-408(2)(b), C.R.S. - broker disclosures;
 - b. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - c. § 12-10-217(1)(c), C.R.S. - deliberate misrepresentation/false promise;
 - d. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - e. § 12-10-409(1)(a), C.R.S. - duration of relationship;
 - f. Commission Rule 5.21 - production of documents and records;
 - g. Commission Rule 6.2 - competency - must possess experience, training and knowledge;
 - h. Commission Rule 6.6 - brokerage relationships - listing contract or written disclosure required;
 - i. Commission Rule 6.14(C) - listing must be in writing;
 - j. Commission Rule 6.14(D) - listings must have termination date;
 - k. Commission Rule 6.17(B) - duty to disclose conflict of interest and license status;
 - l. Commission Rule 6.20 - transaction file requirements; and
- C. The respondent's settlement offer includes a Stipulation and Final Agency Order;
- D. The respondent's real estate broker's license shall be revoked;
- E. The respondent's real estate broker's license shall be publicly censured; and
- F. He will be required to pay a fine to the Commission in the amount of \$27,500 or maximum fines.

Motion unanimously carried.

D. Complaint #x2025-33 (MF) -

The investigative report concerning a complaint filed against the respondent in Complaint #x2025-33 (MF) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to

incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The respondent is an employing broker of a small brokerage firm performing sales transactions and property management. The respondent does not maintain fiduciary trust accounts and does not complete reconciliations. He continued to perform real estate activities during a nine (9) week period when his license was inactive. The respondent's sales and property management transactions files lacked required disclosures, addenda, and other necessary forms, which he confirmed he had not provided to his clients.; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(h) C.R.S. - failure to account for funds received;
 - b. § 12-10-217(1)(k), C.R.S. - failure to maintain files for 4 years;
 - c. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - d. Commission Rule 5.2 - money belonging to others must be deposited in trust or escrow;
 - e. Commission Rule 5.14 - recordkeeping requirements;
 - f. Commission Rule 5.22 - employing or independent broker responsible for firm's compliance with Chapter 5 rules;
 - g. Commission Rule 6.5 - brokerage relationship disclosures in writing;
 - h. Commission Rule 6.9 - change of status disclosure in writing;
 - i. Commission Rule 6.20- transaction files;
 - j. Commission Rule 6.26 - actions when license is suspended, revoked, expired or inactive; and
- C. The respondent's settlement offer includes a Stipulation and Final Agency Order;
- D. His real estate broker's license shall be publicly censured;
- E. The respondent will be required to pay a fine to the Commission in the amount of \$7,500;
- F. The respondent will be required to successfully complete real estate education in Brokerage Relationships, Brokerage Administration, Contracts, Trust Accounts, and in Property Management; and
- G. He will be required to submit to a follow-up audit in three months.

Motion unanimously carried.

E. Complaint #2024-2148 (JM) -

The investigative report concerning a complaint filed against the respondent in Complaint #2024-2148 (JM) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. On 12/04/2024 the Division received this complaint stating the respondent, acting as a listing agent, misrepresented the listing and failed to provide a structural report related to the property. The investigation found that the respondent did provide the structural report to the complainant, but not until after the contract had been executed. The respondent acknowledges he should have asked the seller to update the SPD after learning of the structural issues. Additionally, the

respondent delayed updating the listing to reflect the property as "Under Contract" or "Pending" because the seller directed the respondent not to update the listing because they believed the buyer was not going to actually proceed with the transaction. Although the respondent provided the structural report to the complainant, the respondent did not provide the complainant with a copy of the associated structural estimate that the respondent had in his possession. However, the complainant was able to obtain a copy of the estimate directly from the contractor. Lastly, the respondent acknowledged the initial listing description may have inadvertently misrepresented the rent-ability of the ADU; however, the complainant was informed and made aware of the current ADU information before an offer to purchase the property was ever submitted; and

- B. This is a possible violation of:
 - a. § 12-10-217(1)(q) C.R.S. - unworthy, incompetent practice;
 - b. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - c. Commission Rule 6.10(C) - advertising; and
- C. The respondent's settlement offer includes a Stipulation for Diversion;
- D. The respondent will be required to pay a fine to the Commission in the amount of \$1,000;
- E. He will be required to successful complete real estate education in Ethics.

Motion unanimously carried.

F. Complaint #x2025-65 (MA) -

The investigative report a complaint filed against the respondent in Complaint #x2025-65 (MA) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The complainant filed a complaint on March 13, 2025 along with a correlating lawsuit in Denver County court alleging that the respondent had wrongfully kept funds sent to the brokerage after the management agreement had been terminated. The lawsuit was settled with funds returned to the complainant, but requested information related to the lawsuit was not provided. A corresponding audit and review of submitted documents indicated that the brokerage held one account holding over \$500,000 of owner and tenant funds in one, non-fiduciary account, reconciliations were insufficient/not reconciling, property management agreements did not appear to comply with the provisions of Rule 7.1, the Broker's Duties Addendum, Broker's Disclosure to Tenant and the Radon Brochure were not being provided as required. A non-licensed business development manager was allowed to sign transaction documents, markups were not being disclosed, sales files documents were not retained or submitted as requested, and both the correction items requested within the correction letter and a subpoena went without a response. The respondent did not update their address in the elicense system and was engaging in real estate activity with an inactive license; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(h), C.R.S. - failure to account for funds received;
 - b. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;

- c. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - d. § 12-10-217(1)(v), C.R.S. - fraud, misrepresentation, deceit, conversion;
 - e. § 12-10-211, C.R.S. - requirement to notify Commission of address change;
 - f. Commission Rule 5.1 - establishment of internal accounting controls;
 - g. Commission Rule 5.2 - money belonging to others must be deposited in trust or escrow;
 - h. Commission Rule 5.5 - trust or escrow required for rental receipts and security deposits;
 - i. Commission Rule 5.14 - recordkeeping requirements;
 - j. Commission Rule 6.1 - broker must not lend their license;
 - k. Commission Rule 5.21 - must produce documents;
 - l. Commission Rule 6.2 - competency - must possess experience;
 - m. Commission Rule 6.3 - employing broker responsibilities - trust account supervision;
 - n. Commission Rule 6.5 - broker's disclosures in writing;
 - o. Commission Rule 6.20 - transaction file requirements;
 - p. Commission Rule 6.25 - complete response documents;
 - q. Commission Rule 6.26 - operating with an inactive license;
 - r. Commission Rule 7.1 - standard forms;
 - s. Commission Rule 3.9 - E&O insurance; and
- C. The respondent's settlement offer includes a Stipulation and Final Agency Order;
 - D. The respondent's real estate broker's license shall be revoked;
 - E. The respondent's real estate broker's license shall be publicly censured; and
 - F. She will be required to pay a fine to the Commission in the amount of \$47,500 or maximum fines.

Motion unanimously carried.

G. Complaint #2025-453 (NAM) -

The investigative report concerning a complaint filed against the respondent in Complaint #2025-453 (NAM) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The complainant filed a complaint on March 13, 2025 along with a correlating lawsuit in Denver County court alleging that the respondent had wrongfully kept funds sent to the brokerage after the management agreement had been terminated. In addition to the complaint, a routine audit was also initiated on the broker. The lawsuit was settled with funds returned to the complainant, but no final information was provided as requested within the Subpoena. A review of all submitted documents indicated that the brokerage held one account holding over \$500,000 of owner and tenant funds in one, non-fiduciary account, reconciliations were insufficient/not reconciling, property management agreements did not appear to comply with the provisions of Rule 7.1, the Broker's Duties Addendum, Broker's Disclosure to Tenant and the Radon Brochure were not being provided in accordance to license law. A non-licensed business development

manager was allowed to sign transaction documents, markups were not being disclosed, sales files documents were not submitted as requested, and both the correction items requested within the correction letter and a subpoena went without a response. During the audit, the respondent did not update their address in the elicense system and was engaging in real estate activity without E&O coverage and was subsequently engaging in real estate activity on an inactive license; and

- B. This is a possible violation of:
- a. § 12-10-217(1)(h), C.R.S. - failure to account for funds received;
 - b. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - c. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - d. § 12-10-217(1)(v), C.R.S. - fraud, misrepresentation, deceit, conversion;
 - e. § 12-10-217(4), C.R.S. - requirement to product documents related to civil suit;
 - f. § 12-10-211, C.R.S. - requirement to notify Commission of address change;
 - g. Commission Rule 5.1 - establishment of internal accounting controls;
 - h. Commission Rule 5.2 - money belonging to others must be deposited in trust or escrow;
 - i. Commission Rule 5.5 - trust or escrow required for rental receipts and security deposits;
 - j. Commission Rule 5.14 - recordkeeping requirements;
 - k. Commission Rule 6.1 - broker must not lend their license;
 - l. Commission Rule 5.21 - must produce documents;
 - m. Commission Rule 6.2 - competency - must possession experience;
 - n. Commission Rule 6.3 - employing broker responsibilities - trust account supervision;
 - o. Commission Rule 6.5 - broker's disclosures in writing;
 - p. Commission Rule 6.20 - transaction file requirements;
 - q. Commission Rule 6.25 - complete response documents;
 - r. Commission Rule 6.26 - operating with an inactive license;
 - s. Commission Rule 7.1 - standard forms;
 - t. Commission Rule 3.9 - E&O insurance; and
- C. The real estate brokerage firm's settlement offer includes a Stipulation and Final Agency Order;
- D. The real estate brokerage firm's license shall be revoked;
- E. The real estate brokerage firm shall be publicly censured; and
- F. The real estate brokerage firm will be required to pay a fine in the amount of \$47,500 or maximum fines to the Commission.

Motion unanimously carried.

H. Complaint #x2024-124 (RR) -

The investigative report concerning a complaint filed against the respondent in Complaint #x2024-124 (RR) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. This was a routine audit opened on the broker, who made numerous corrections during the course of the audit. The only outstanding issue at the conclusion of the audit was unexplained negative ledger balances that continued to appear on owner's statements, without adequate explanation; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(i), C.R.S. - converting, diverting, commingling funds;
 - b. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - c. Commission Rule 5.14 - recordkeeping requirements - negative ledger balances; and
- C. The respondent's settlement offer includes a Stipulation for Diversion;
- D. He will be required to pay a fine to the Commission in the amount of \$750;
- E. He will be required to successfully complete real estate education in Trust Accounts; and
- F. He will be required to submit to 2 follow-up audits within one year.

Motion unanimously carried.

I. Complaint #x2025-15 (MH) -

The investigative report concerning a complaint filed against the respondent in Complaint #x2025-15 (MH) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. A routine audit was opened on the respondent on February 10, 2025. Despite a Correction Letter, A Final Notice to Comply and substantial time given for Correction, it appears that the following items remain out of compliance. The broker has not been able to provide a compliant reconciliation for either the rent or security deposit trust account, fees charged to owners do not appear to be agreed to in writing. Adequate disclosures of the conflict of interest of the maintenance company, though disclosure appears on the website, no evidence was provided that owners are aware of the conflict. It appears that the brokerage is utilizing DBAs that are not registered with the Division and standard forms have not been adequately updated to comply with the provisions within Rule 7.1; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(h), C.R.S. - failure to account for funds received;
 - b. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - c. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - d. Commission Rule 5.4 - recordkeeping requirements;
 - e. Commission Rule 6.10 - advertising;
 - f. Commission Rule 6.17 - duty to disclose conflict of interest and license status;
 - g. Commission Rule 7.1 - standard forms; and
- C. The respondent's settlement offer includes a Stipulation for Diversion;
- D. He will be required to pay a fine to the Commission in the amount of \$2,500;
- E. He will be required to successfully complete real estate education in Trust Accounts; and

F. He will be required to submit to two audits within one year.

Motion unanimously carried.

J. Complaint #x2025-66 (DR) -

The investigative report concerning a complaint filed against the respondent in Complaint #x2025-66 (DR) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. Though the broker made substantial corrections throughout the course of the audit, despite a correction with extensions and Final Notice to comply, the broker's property management forms are not fully compliant, to include the relevant 7.1b disclosures for the attorney drafted forms; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - b. Commission Rule 7.1 - standard forms; and
- C. The respondent's settlement offer includes a Stipulation for Diversion;
- D. She will be required to pay a fine to the Commission in the amount of \$1,000;
- E. She will be required to successfully complete real estate education in Leases and in Legislative Updates; and
- F. The respondent will be required to submit to an audit to include only a review of the property management forms.

Commissioner Doyle is opposed. **Motion carried.**

K. Complaint #2025-194 (LW) -

The investigative report concerning a complaint filed against the respondent in Complaint #2025-184 (LW) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The complainant alleged the respondent deliberately misrepresented the overall square footage of the property she listed in the MLS. The respondent denied the allegation, stating the source of the square footage used in the MLS was based on architectural plans. The investigation determined that during the listing, a company hired by the respondent measured the property and calculated a square footage amount less than the advertised amount. This information was not relayed to the subsequent buyer/complainant; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(c), C.R.S. - deliberate misrepresentation/false promise;
 - b. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - c. § 12-10-403(3)(a), C.R.S. - failure to disclose adverse material facts; and
- C. The respondent's settlement offer includes a Stipulation for Diversion; and

- D. She will be required to pay a fine to the Commission in the amount of \$1,500.

Motion unanimously carried.

L. Complaint #2025-1995 (AE) -

The investigative report concerning a complaint filed against the respondent in Complaint #2025-1995 (AE) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. An anonymous complaint was filed with the Division of Real Estate alleging that the respondent was "loaning out his license to unlicensed persons and firms." The complaint was based on a Colorado commercial real estate listing in which the respondent was the Listing Agent. The listing expired on 12/31/2024. The listing in question was co-brokered with a firm in San Diego. That firm and the three individuals listed with that firm on the advertised listing are not Colorado Licensed Brokers. The respondent provided a written response to the Division stating that co-brokering with an out-of-state broker who was not licensed in Colorado was allowed, and further stated that the Colorado Division of Real Estate did not have jurisdiction over the matter. During the Investigation and while trying to understand the respondent's business model, the following issues were identified: use of non-CREC forms, discharging brokerage duties for a flat fee, and failure to formally identify the brokerage relationship with the seller; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(m), C.R.S. - violation of stipulation for diversion;
 - b. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - c. § 12-10-405(1), C.R.S. - agent's duties and obligations;
 - d. Commission Rule 7.4 - prohibited provisions - cannot relieve broker from compliance;
 - e. Commission Rule 6.1 - broker must not lend their license;
 - f. Commission Rule 6.2 - competency - must possess experience, training and knowledge;
 - g. Commission Rule 6.5 - brokerage relationship disclosures in writing;
 - h. Commission Rule 7.1 - standard forms; and
- C. The respondent's settlement offer includes a Stipulation and Final Agency Order;
- D. The respondent's real estate broker's license shall be publicly censured;
- E. He will be required to pay a fine to the Commission in the amount of \$7,000; and
- F. He will be required to successfully complete real estate education in Brokerage Relationships and in Contracts.

Motion unanimously carried.

M. Complaint #2024-555 (DV) -

The investigative report concerning a complaint filed against the respondent in Complaint #2024-555 (DV) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to

refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The complainant explained that the respondent had represented him as his broker and his accountant for a seven-year period. The complainant stated that in March of 2021 he told the respondent that he wanted to sell his property because he was moving to Texas. There was a tenant in the property at the time. The complainant alleged that the respondent told him that it would be easier for her to sell the property if he signed the property over to the respondent via a quitclaim deed. In addition, the respondent verbally agreed to pay the complainant \$8,000 as a down payment, that she would use the tenant's rent payments to make the complainant's mortgage payments, and that the complainant and the respondent would split the proceeds from the sale of the property. Later, while trying to obtain a loan in order to purchase a property, the complainant discovered that the respondent had missed or made late payments thus ruining complainant's credit. The complainant stated that he was unable to obtain a loan because of this. The investigation also noted the potential violation that the respondent failed to ensure that all agreements between the respondent and complainant were in writing; and
- B. This is a possible violation of:
 - a. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - b. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - c. Commission Rule 6.17 - duty to disclose conflict of interest and license status; and
- C. The respondent's settlement offer includes a Stipulation for Diversion;
- D. She will be required to pay a fine to the Commission in the amount of \$2,000; and
- E. She will be required to successfully complete real estate education in Contracts and in Ethics.

Motion unanimously carried.

N. Complaints #2025-303 & #2025-351 (PG) -

The investigative reports concerning complaints filed against the respondent in Complaints 2025-303 & #2025-351 (PG) were presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The Division received both complaints in 02/2025 from the respective complainants both alleging the respondent, acting as property manager failed to remit rental proceeds. The investigation found that the respondent did provide the complainant of 2025-303 with their reported missing rental proceeds. The respondent currently has two property management companies with one operating in TX and the other in Colorado. The respondent also operates an Insurance Company in Colorado. The respondent stated due to personal issues, he has relied on employees to manage both brokerages and was unable to supervise adequately. The respondent acknowledged he does not recall when the trust accounts were reconciled. The respondent provided a

security deposit ledger that shows the total security deposit liabilities is \$73,617.50. The respondent believes he owes around \$100,000.00 to owners and tenants in trust funds. The Investigator Workpapers noted the respondent commingled approximately \$1,037,813.72 from the Colorado Rental trust account to other business accounts controlled by the respondent. The respondent is the only authorized signer on the brokerage bank accounts. The respondent did not maintain a separate account(s) for holding security deposits. The respondent transferred trust funds on a routine basis from the Colorado Rental trust account to his other accounts depending on the need for funds in those accounts. The Colorado property management company is currently shut down; and

- B. This is a possible violation of:
 - a. § 12-10-217(1)(h), C.R.S. failure to account for funds received;
 - b. § 12-10-217(1)(i), C.R.S. - converting, diverting, commingling funds;
 - c. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - d. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - e. § 12-10-217(1)(r) C.R.S. - failure to supervise associates;
 - f. § 12-10-217(1)(w), C.R.S. - dishonest dealing;
 - g. § 12-10-404(1)(c), C.R.S. - single agent engaged by seller;
 - h. Commission Rule 5.2 - money belonging to others must be deposited in trust or escrow;
 - i. Commission Rule 5.5 - trust or escrow required for rental receipts and security deposits;
 - j. Commission Rule 5.9 - diversion, conversion prohibited;
 - k. Commission Rule 5.10 - commingling prohibited;
 - l. Commission Rule 5.14 - recordkeeping requirements;
 - m. Commission Rule 6.2 - competency;
 - n. Commission Rule 6.3 - employing broker responsibilities; and
- C. The respondent's settlement offer includes a Stipulation and Final Agency Order;
- D. The respondent's real estate broker's license shall be revoked;
- E. The respondent's real estate broker's license shall be publicly censured;
- F. He will be required to pay a fine to the Commission in the amount of \$32,500 or maximum fines; and
- G. This case will be reported to criminal law enforcement.

Motion unanimously carried.

O. Complaint #2024-1556, (CL) -

The investigative report concerning a complaint filed against the respondent in Complaint #2024-1556, (CL) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The complaint alleges from the complainant that she hired the respondent to manage the complainant's rental property in Colorado Springs and that the respondent rented her property for less than what the complainant authorized or agreed to and also changed the lease expiration term to a length of time also not agreed to by the

complainant or without the complainant's approval. Furthermore, the complainant alleges that the respondent also allowed the tenant to obtain a security deposit bond in lieu of paying an actual security deposit without obtaining the complainant's approval. Lastly, the complainant alleges that the respondent failed to make necessary repairs to the property which lead to nonpayment of rent. The respondent states that the PMA gives her the authority to determine the rental rate and the owner had allowed prior instances of extending lease terms and accepted lower rent. The respondent also states that all property owners were informed in 04/2023 that the brokerage would now allow tenants the option to use a security deposit bond in lieu of paying a deposit. However, the respondent failed to provide a copy of this letter to the Division. Additionally, the respondent failed to provide 3 way reconciliation documents and appears to have failed to keep rental income in a trust account. The respondent has since closed down the Property Management Division of her brokerage firm as of 12/31/2024. It does appear that the respondent was keeping the owner informed of maintenance issues and needed repairs to the property; and

- B. This is a possible violation of:
 - a. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - b. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - c. § 12-10-404(1)(c), C.R.S. - single agent duties;
 - d. Commission Rule 5.2 - money belonging to others must be deposited in trust or escrow;
 - e. Commission Rule 5.5 - trust or escrow required for rental receipts and security deposits;
 - f. Commission Rule 5.14 - recordkeeping requirements;
 - g. Commission Rule 5.21 - production of documents and records; and
- C. The respondent's settlement offer includes a Stipulation and Final Agency Order;
- D. The respondent's real estate broker's license shall be publicly censured;
- E. The respondent's real estate broker's license shall be suspended for a period of three months;
- F. She will be required to pay a fine to the Commission in the amount of \$5,000;
- G. She will be required to successful complete real estate education in Brokerage Administration, Brokerage Relationships and in Ethics; and
- H. She will be prohibited from performing property management services.

Motion unanimously carried.

P. Complaint #x2025-104, (JM) -

The investigative report concerning a complaint filed against the respondent in Complaint #x2025-104, (JM) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The respondent signed a Stipulation for Diversion in February 2025 due to deficient brokerage practices with his trust accounts from a 2024 audit. The Stipulation required in part, four (4) quarterly audits. This was the first of the four (4) audits. The respondent manages a \$4.5 million property management book of business catering

primarily for Boulder students, yet his trust accounts cannot be effectively audited because of the respondent's inability to produce compliant three-way reconciliations since at least August 2024. The respondent began restructuring the trust accounting practices in early 2025. One of the respondent's goals of the restructure is to create multiple trust accounts per client, thus involving fewer accounting transactions per trust account helping with completing compliant three-way reconciliations. According to the respondent, the transition has been delayed because of internal bank procedures and accounting software requirements. Based on the current audit findings, the transition delay may be caused by difficulties with balancing a high volume of past individual transactions and staff turn-over. The respondent currently has an accounting staff of only four (4) individuals that he expects to have the capability to reconcile 342 trust accounts each month; and

- B. This is a possible violation of:
 - a. § 12-10-217(1)(h), C.R.S. failure to account for funds received;
 - b. § 12-10-217(1)(i), C.R.S. - converting, diverting, commingling funds;
 - c. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - d. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - e. § 12-10-217(1)(r) C.R.S. - failure to supervise associates;
 - f. § 12-10-217(1)(w), C.R.S. - dishonest dealing;
 - g. § 12-10-404(1)(c), C.R.S. - single agent engaged by seller;
 - h. Commission Rule 5.2 - money belonging to others must be deposited in trust or escrow;
 - i. Commission Rule 5.5 - trust or escrow required for rental receipts and security deposits;
 - j. Commission Rule 5.9 - diversion, conversion prohibited;
 - k. Commission Rule 5.10 - commingling prohibited;
 - l. Commission Rule 5.14 - recordkeeping requirements;
 - m. Commission Rule 5.21 - production of documents and records;
 - n. Commission Rule 6.3B.6 - employing broker must take reasonable steps to ensure violations do not occur; and
- C. The respondent's settlement offer includes a Stipulation and Final Agency Order;
- D. The respondent's real estate broker's license shall be publicly censured;
- E. He will be required to pay a fine to the Commission in the amount of \$20,000; and
- F. He will be required to submit to an audit by March 31, 2026.

Motion unanimously carried.

Q. Complaint #x2024-10, (PS) -

The investigative report concerning a complaint filed against the respondent in Complaint #x2025-104, (PS) was presented to the Commission with accompanying documentation and information. It was moved and seconded by the Commission that reasonable grounds exist to refer the respondent to hearing for violations of the real estate license law and to send this matter through the expedited settlement process (ESP). The staff was also directed to incorporate these specific terms into the Commission approved ESP stipulation to be sent to the respondent.

- A. The respondent signed a Stipulation for Diversion in February 2025 due to deficient brokerage practices with his trust accounts from a 2024 audit. The Stipulation required in part, four (4) quarterly audits. This was the first of the four (4) audits. The

respondent manages a \$4.5 million property management book of business catering primarily for Boulder students, yet his trust accounts cannot be effectively audited because of the respondent's inability to produce compliant three-way reconciliations since at least August 2024. The respondent began restructuring the trust accounting practices in early 2025. One of the respondent's goals of the restructuring is to create multiple trust accounts per client, thus involving fewer accounting transactions per trust account helping with completing compliant three-way reconciliations. According to the respondent, the transition has been delayed because of internal bank procedures and accounting software requirements. Based on the current audit findings, the transition delay may be caused by difficulties with balancing a high volume of past individual transactions and staff turnover. The respondent currently has an accounting staff of only four (4) individuals that he expects to have the capability to reconcile 342 trust accounts each month; and

- B. This is a possible violation of:
 - a. § 12-10-217(1)(m), C.R.S. - violation of any Commission rule or part 4;
 - b. § 12-10-217(1)(q), C.R.S. - unworthy, incompetent practice;
 - c. § 12-10-217(1)(r) C.R.S. - failure to supervise associates;
 - d. § 12-10-217(1)(w), C.R.S. - dishonest dealing;
 - e. Commission Rule 6.3 - employing broker responsibilities and supervision;
 - and
- C. The respondent's settlement offer includes a Stipulation and Final Agency Order;
- D. The respondent's real estate broker's license shall be publicly censured;
- E. He will be required to pay a fine to the Commission in the amount of \$10,000 or maximum fines; and
- F. He will be required to submit to two audits - one per year over the next two years.

Motion unanimously carried.

LICENSING MATTERS:

Licensing Matter A - Complaint #2025-1662 (BS) - Preliminary Advisory Opinion -

The Commission considered this application for a preliminary advisory opinion for a real estate broker's license together with accompanying documentation and information supplied by the applicant.

On October 04, 2024, the applicant was convicted of Unclassified Possession of a Large Capacity Magazine. The applicant was sentenced to 180 days in jail (suspended), 60 days in-home detention, and 12 months of probation which is ongoing until October 03, 2025. Additionally, the applicant has paid all fines. The applicant received a negative preliminary opinion at the August 2025 CREC meeting. Since that time, the applicant has paid their fine and provided a new letter of explanation. Additionally, their probation is set to end on October 3, 2025.

It was moved by Commissioner Sanders and seconded by Commissioner Doyle to issue a positive opinion

Motion unanimously carried.

Licensing Matter B - Complaint #2025-1269 (MT) - License Application -

The Commission considered this application for a real estate broker's license together with accompanying documentation and information supplied by the applicant.

On June 24, 2021, the applicant was convicted of a Class 2 misdemeanor, Invasion of Privacy. The applicant was sentenced to one year of probation and a fine of \$1,965.50. The applicant has completed all terms of probation and has paid the fine in full. The case is closed.

It was moved by Commissioner Sanders and seconded by Commissioner Rubal to approve the license application.

Motion unanimously carried.

Licensing Matter C - Complaint #2025-1560 (JM) - License Application -

The Commission considered this application for a real estate broker's license together with accompanying documentation and information supplied by the applicant.

The applicant has had a Dental License Issued by the Division of Professions and Occupations since April 30, 1997. The applicant has four Stipulated agreements and a Letter of Admonition between January 6, 2003 and April 11, 2024 related to this dental license. The applicant reports that he has closed his Dental practice and wishes to pursue a Colorado Broker license.

It was moved by Commissioner Bugarin and seconded by Commissioner Rubal to approve the license application.

Motion unanimously carried.

ESP MATTERS:

ESP Matter A, Complaint #2025-94 (JM) - Stipulation Violation -

The Commission was presented with a stipulation violation report by Penny Elder, ESP Program Manager, regarding ESP Matter A, Complaint #2025-94 (JM). Following discussion, it was moved by Commissioner Doyle and seconded by Commissioner Rubal to proceed with a violation of § 12-10-217(1)(m), C.R.S. to include a Final Agency Order, public censure; and a fine in the amount of \$2,500 (plus mandatory 15% surcharge). The respondent's real estate broker's license shall be suspended for a period of 30 days, and the suspension will continue indefinitely until the respondent is compliant.

Motion unanimously carried.

ESP Matter B, Complaint #2024-2227 (AS) - Stipulation Violation -

The Commission was presented with a stipulation violation report by Penny Elder, ESP Program Manager, regarding ESP Matter B, Complaint #2024-2227 (AS). Following discussion, it was moved by Commissioner Doyle and seconded by Commissioner Rubal to proceed with a violation of § 12-10-217(1)(m), C.R.S. to include a Final Agency Order, public censure; and a fine in the

amount of \$2,500 (plus mandatory 15% surcharge). The respondent's real estate broker's license shall be suspended for a period of 30 days, and the suspension will continue indefinitely until the respondent complies.

Motion unanimously carried.

NOTE: ESP Matter C, Complaint #2024-2074 (RV) was removed from the Commission's consideration as compliance has been achieved.

ESP Matter D, Complaint #2023-2424 (AW) - Stipulation Violation -

The Commission was presented with a stipulation violation report by Penny Elder, ESP Program Manager, regarding ESP Matter D, Complaint #2023-2424 (AW). Following discussion, it was moved by Commissioner Sanders and seconded by Commissioner Doyle to proceed with a violation of § 12-10-217(1)(m), C.R.S. to include a Final Agency Order, revocation of the broker's license, public censure; and a fine in the amount of \$2,500 (plus mandatory 15% surcharge).

Motion unanimously carried.

ESP Matter E, Complaint #2025-2119 (AC) - Stipulation Violation -

The Commission was presented with a stipulation violation report by Penny Elder, ESP Program Manager, regarding ESP Matter E, Complaint #2025-2119 (AC). Following discussion, it was moved by Commissioner Rubal and seconded by Commissioner Doyle to proceed with a violation of § 12-10-217(1)(m), C.R.S. to include a Final Agency Order, public censure; and a fine in the amount of \$2,500 (plus mandatory 15% surcharge). The respondent's real estate broker's license shall be suspended for a period of 30 days, and the suspension will continue indefinitely until the respondent complies.

Motion unanimously carried.

POLICY MATTER:

Commission Position 31 - Management of Confidential Client Information by an Employing Broker -

It was moved by Commissioner Rubal and seconded by Commissioner Bugar to adopt Commission Position 31 - Management of Confidential Client Information by an Employing Broker, as amended.



Commission Position
31 Management of Cc

Motion unanimously carried.

ADJOURN:

The Real Estate Commission adjourned out of their regular meeting at 4:59 p.m. on October 7, 2025

Renee Lynde, Chair

Eriqueca Sanders, Vice Chair

Bernadette Bugarin, Commissioner

Erika Doyle, Commissioner

Autymn Rubal, Commissioner

Marcia Waters, Director
Colorado Division of Real Estate