

STATE OF ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
1511 PONTIAC AVENUE, BLDGS. 68-69
CRANSTON, RHODE ISLAND 02920

IN THE MATTER OF: :
: :
JONATHAN WEINSTEIN : DBR COMPLAINT # 2019-08
: :
RESPONDENT. :
: :
:

CONSENT AGREEMENT

The Department of Business Regulation ("Department") and Jonathan Weinstein ("Respondent") hereby agree that:

1. Respondent is a licensed Real Estate Broker, holding License Number REB.0016858 pursuant to R.I. Gen. Laws § 5-20.5-1 *et seq.*

2. On or about February 26, 2018, the Department received a complaint that Respondent engaged in co-mingling of escrow funds while acting as the principal broker of RentProv Realty, a business he was a co-owner of with another licensee.

3. Complainant reported that he was an investor living in Boston who met Respondent while touring a prospective investment property located at 365 Wickenden Street, Providence (the "Property"). Complainant reported that Respondent advised Complainant that he was the broker for the Property, as well as the owner.

4. On or around March 3, 2017, Complainant made an offer on the Property and put down a deposit in the amount of \$17,950. Respondent accepted the offer, and a Purchase and Sales agreement ("P&S" agreement) was executed.

5. On or about March 22, 2017, Complainant reported to Respondent that while doing

his due diligence, Complainant discovered repairs that needed to be made to the Property and had the Inspection period extended by agreement.

6. On or about April 7, 2017, Complainant informed Respondent that after Complainant conducted additional due diligence, Respondent would have to clear title issues associated with the Property. As a result, the P&S agreement was extended a third (3rd) time to May 22, 2017. Subsequent extensions to the P&S agreement were made three (3) additional times after May 22, 2017, all due to the title issue.

7. According to the Respondent, on or around May 9, 2017, he, received the deposit funds in the amount of \$17,950 from a 3rd party business partner. In agreement with Complainant, said funds were placed into an IOLTA Trust Account. This account was housed under the supervision of Respondent's attorney until a resolution of this matter.

8. On or about May 22, 2017, after another extension of the P&S agreement, Respondent failed to return the disputed deposit. Complainant reported his attorney filed a civil action in Superior Court for recovery of the funds. The parties began negotiation settlement talks to resolve the matter. It should be noted the court case is still ongoing.

9. On or about July 14, 2017, Complainant submitted a Notice of Termination of the P&S agreement, citing inability to deliver a clear title for the Property and asked for the return of his deposit. It should be noted that the Notice of Termination was the result after the sixth (6th) extension of the P&S agreement, signed on June 20, 2017.

10. After receiving said Notice to Terminate of the P&S agreement and the request to return the deposit to the Complainant, Respondent refused to return the deposit.

11. On or around March 9, 2019, Respondent, through his attorney, reported that he deposited the funds into a rarely used RentProv Realty sales escrow account. Shortly after this,

Respondent left RentProv Realty and became an independent contractor with a different brokerage firm. In the Respondent's response to the Department, Respondent stated that he fully expected the purchase of the Property to be completed and as a result he withdrew the \$17,950 from the sales escrow account, as he was the sole owner of the Property and the principal broker of RentProv Realty at that time. Respondent turned over the rental escrow account to the new principal broker of RentProv Realty and closed the sales escrow account when he withdrew the above funds.

12. Respondent, through his attorney, admits that he inappropriately withdrew the funds and acknowledges that under no circumstances should he have done so.

13. It is the Department's position that Respondent failed to properly deposit the funds into the sales escrow account of RentProv and is in violation of Rhode Island General Law §5-20.5-26(1)(i) and Department Regulation 230-RICR-30-20-2 Section 2.18(1), (2), (3), (4), and (5). Also, Respondent is in violation of Rhode Island General Law §5-20.5-26(2)(c), unlawful appropriation by intentionally using the funds for his own use.

14. In an effort to effectuate a timely and amicable resolution of the concerns raised in this Consent Agreement, Respondent agrees to pay an administrative penalty in the amount of two thousand (\$2,000) dollars, payable to the "General Treasurer, State of Rhode Island," upon the execution of this document.


15. Respondent admits that the allegations in Paragraphs 1 through 13 are true and agrees to complete three (3) credit hours of continuing education in the area of Ethics within sixty (60) days of the execution of this agreement. All course(s) must first be approved by the Division and will be in addition to any continuing education hours required for renewal of Respondent's real estate license.

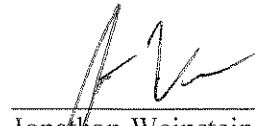
16. By agreeing to enter into this Consent Agreement, Respondent knowingly and

voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Acts, R.I. Gen. Laws § 42-35-1, *et seq.*

17. If Respondent fails to comply with any term or condition of this Consent Agreement, Respondent will be in violation hereunder and the Department shall be entitled to immediately take enforcement or other action in accordance with applicable law, including, but not limited to: revocation, suspension, and/or any such additional administrative penalties that the Department deems appropriate. In accordance with R.I. Gen. Laws § 42-35-9, Respondent shall be provided with notice and an opportunity for a hearing if the Department initiates the administrative hearing process.

CONSENTED TO AS TO FORM AND SUBSTANCE BY:


William J. DeLuca
Real Estate Administrator
Department of Business Regulation


Jonathan Weinstein
Respondent

Date: 10/16/19

Date: 10/10/19