

NEW JERSEY REAL ESTATE COMMISSION

NEW JERSEY REAL ESTATE COMMISSION)	DOCKET NUMBER ESS-19-012
)	(REC Ref. No. 10007614)
Complainant,)	
)	ORDER TO SHOW CAUSE
v.)	
)	
PAULA LYDEN, licensed New Jersey real estate)	
salesperson (Ref. No. 1434835))	
)	
Respondent.)	

THIS MATTER being commenced by the New Jersey Real Estate Commission (the “Commission”) in the Department of Banking and Insurance, State of New Jersey, on its own motion, pursuant to the provisions of N.J.S.A. 45:15-17, 45:15-18 and N.J.A.C. 11:5-1.1 et seq., and it appearing that:

1. Respondent Paula Lyden (“Lyden”) is an actively licensed New Jersey real estate salesperson, who was first licensed on September 18, 2014, and is currently licensed through Italski, LLC d/b/a Striker Realty, licensed New Jersey real estate broker, whose primary office is located at 918 North Wood Ave, Linden, New Jersey. Lyden works out of the Striker Realty branch office located at 58 East Mt. Pleasant Avenue, Livingston, New Jersey; and

COUNT I

2. On or about June 12, 2017, Lyden and the Commission entered into a Consent Order in resolution of Commission investigation file number 10004775 (the “Consent Order”), whereby Lyden admitted to violating N.J.A.C. 11:5-6.4(a) by providing the lockbox code for one of her listings to a potential lessor, without the permission of the property owner, thereby allowing an unlicensed individual to enter the property unattended by a licensee. A copy of the Consent Order is attached hereto as **Exhibit A**; and

3. As a penalty for the above violation, Lyden agreed to pay a fine in the amount of \$2,500, within thirty (30) days of the acceptance of the Consent Order (see **Exhibit A**); and

4. As a penalty for the above violation, Lyden agreed to complete an additional six (6) hours of continuing education, in the subject area of “Agency” within ninety (90) days of the acceptance of the Consent Order (see **Exhibit A**); and

5. Lyden failed to complete the continuing education within the timeframe ordered and agreed to by the terms of the Consent Order; and

6. To date, Lyden has failed to pay the fine in full, as ordered and agreed by the terms of the Consent Order; and

COUNT II

7. At all relevant times herein, Lyden represented Clearview Equities, LLC (“Clearview”) as listing agent; and

8. Upon information and belief, Clearview is in the business of purchasing foreclosure properties at sheriff’s sales, renovating and then re-selling such properties; and

9. Upon information and belief, in or around September of 2017, Lyden was contacted by Joshua Frenkel, the principal of Clearview, and informed that Clearview had purchased the property located at 829 Kennedy Boulevard, Bayonne, New Jersey (the “Property”) at a sheriff’s sale. Upon information and belief, Lyden was instructed to list the Property for sale; and

10. On or about October 2, 2017, Lyden, on behalf of Striker Realty, entered into a listing agreement with Clearview to list the Property for sale; and

11. On or about October 2, 2018, Lyden marketed the Property for sale on the Hudson County Multiple Listing Service. The seller was listed as Clearview; and

12. On or about October 19, 2017, Clearview entered into a contract to sell the Property to Melissa Schwaderer and Friday S. Matthews, Jr. (the “Buyers”). The contract provided for an initial deposit in the amount of \$29,635 to be paid by the Buyers and held in escrow by the seller’s attorney. The Buyers were represented by licensed New Jersey real estate salesperson Carol Wernli in the subject transaction; and

13. Lyden never verified Clearview's ownership of the Property prior to marketing it for sale to the public or entering into the above contract of sale; and

14. Upon information and belief, Clearview never completed the sheriff's sale of the Property referenced in ¶ 9 above, and therefore never took title to the Property; and

15. On or about April 27, 2018, the Buyers discovered that Clearview was not the owner of the Property; and

16. The subject transaction was never completed and the Buyers' escrow funds were returned to them in full; and

17. Thereafter, the Buyers initiated a civil law suit against Clearview and its principals, Lyden and Striker Realty for monetary damages arising out of the subject transaction; and

18. On or about January 22, 2019, Clearview and its principals, together with Lyden and Striker Realty entered into a civil settlement with the Buyers, whereby the Buyers released Lyden, Striker Realty, Clearview and its principals from any claim for damages arising out of the subject transaction in exchange for a payment of \$2,000; and

19. On or about February 15, 2019, the above described civil law suit was dismissed against all named parties, with prejudice; and

20. Respondent Lyden's conduct is in violation of N.J.S.A. 45:15-17(e), unworthiness, in that Lyden's failure to comply with the terms of the Consent Order (see **Exhibit A**) as more fully described above, demonstrates unworthiness for licensure; and

21. Respondent Lyden's conduct is in violation of N.J.S.A. 45:15-17(e), incompetency, in that Lyden's failure to verify the ownership of the Property, prior to listing it for sale, marketing it to the public and entering into a contract of sale, demonstrates incompetency; and

And for good cause shown,

IT IS on this 16th day of April, 2019

ORDERED that Respondent Paula Lyden shall show cause why her real estate license should not be suspended or revoked and/or why fines or other sanctions should not be imposed pursuant to N.J.S.A.

45:15-17 and N.J.A.C. 11:5-1.1. Respondent shall file a written Answer to the charges in this Order to Show Cause as required by N.J.A.C. 11:5-11.2 within twenty (20) days of the service of this Order. As required by N.J.A.C. 11:5-11.2, Respondent's written Answer must include specific admissions or denials of all allegations in this Order to Show Cause, state the factual basis of each and every factual allegation denied, and assert any defenses that Respondent intends to present in the event that this matter is deemed a contested case and a plenary hearing is held; and

IT IS FURTHER ORDERED that failure to comply with all of the requirements of N.J.A.C. 11:5-11.2 may result in a determination that there are no material facts or issues of law in dispute and any presentation made to the Commission will be limited to the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that the Commission will review this Order to Show Cause and Answer(s) filed, if any, at a meeting scheduled on or after the 14th day of May, 2019 at 9:30 a.m. to determine whether there is a material fact or issue of law contested. No appearance is required at that time; and

IT IS FURTHER ORDERED that if the Commission determines that there is a material fact or issue of law contested, a hearing will be scheduled for a future date; and

IT IS FURTHER ORDERED that if the Commission determines that there is no material fact or issue of law contested, a hearing shall be scheduled at which the Respondent will be limited to presenting witnesses and documentary evidence regarding the issue of the severity of any sanction or penalty to be imposed; and

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IT IS FURTHER ORDERED that a copy of this Order be served upon the Respondent as provided in N.J.S.A. 45:15-18, which service may be accomplished by serving a copy of this Order on the Respondent personally, or by delivering a copy thereof to her last known business address via certified mail.



Richard Mumford
Acting Director of Banking
New Jersey Department of Banking and Insurance
New Jersey Real Estate Commission