

NEW JERSEY REAL ESTATE COMMISSION

NEW JERSEY REAL ESTATE COMMISSION	)	DOCKET NUMBER MOR-18-013
	)	REC Ref. No. 10002095
Complainant	)	
	)	
v.	)	ORDER TO SHOW CAUSE
	)	
RAYMOND J. RICE, licensed New Jersey real estate	)	
broker-salesperson (SB7936222),	)	
	)	
Respondent	)	

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THIS MATTER being commenced by the New Jersey Real Estate 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 Raymond Rice is a licensed New Jersey real estate broker-salesperson currently employed with Builder Marketing Services, Inc., licensed New Jersey real estate broker located at 6 Schooleys Mountain Road, Long Valley, N.J. 07853; and

2. At all times relevant hereto, Respondent was licensed with Eagle Realty, licensed New Jersey real estate broker located at 410 Route 10 West, Ledgewood, N.J. His employment was terminated with Eagle Realty on or about February 6, 2016; and

3. At all times relevant hereto, Respondent was a 20% partner in entities known as Jade Partners, Jade Land Co. and Jade Partners Washington, LLC. None of those entities hold a real estate license in New Jersey; and

COUNT ONE

4. The commercial property located at 33 W. Washington Avenue, Washington, N.J. was listed for sale by Fiedler Realty, licensed New Jersey real estate broker located in Hackettstown, N.J. From as early as February, 2012, Respondent as a principal in Jade Land Co. commenced negotiations with the owner of the property. Respondent's attorney prepared a contract to purchase the property which included a provision acknowledging that Eagle Realty

was entitled to receive a commission on the transaction and disclosed Respondent's status as a real estate licensee in New Jersey. That contract was never executed; and

5. On or about September 4, 2013, a new contract of sale was prepared in which Respondent as principal of Jade Partners Washington, LLC entered into a contract of sale to purchase the property. It is not known who drafted the contract. The contract did not identify Respondent as a licensed New Jersey real estate broker. The contract did not identify any real estate broker involved in the sale and made no provision for a commission to be paid to anyone; and

6. At the closing of title on said property on or about April 15, 2014, while he was licensed with Eagle Realty, Respondent and Jade Land Co., LLC claimed a real estate commission due in the amount of \$3,655 and same was reflected on the HUD-1 closing statement; and

#### COUNT TWO

7. On or about August 4, 2014, a contract of sale was executed for the purchase of commercial property located at 1497 Springfield Avenue, Maplewood, N.J. between sellers Bayleys LLC and 1497 Springfield LLC and buyer Southeast Investments, Inc. for the purchase price of \$1.8 million. The contract was drafted by attorney for the seller. Paragraph 13.2 of the contract specified that "Ray Rice of Jade Co., LLC is the procuring broker"; and

8. One of the principals to the transaction confirmed to a Real Estate Commission investigator that the commission as set forth in the contract of sale was discussed with Respondent and that Respondent did not disclose that he was employed with Eagle Realty at the time; and

9. Respondent's statement to the Commission investigator on this issue was that he did not know how his name came to be included in the contract as the procuring broker; and

10. When the broker of record of Eagle Realty became aware of the transaction in February, 2016 he made a claim for commission to be paid to Eagle Realty, the broker with whom Respondent was licensed at the time; and

11. Upon information and belief, the property closed and the commission was to be held in escrow pending final resolution of the issue of who was entitled to be paid a commission; and

12. After the parties and their attorneys were made aware of Eagle Realty's claim for a commission, neither Respondent nor Jade Co., LLC made a claim for a commission to be paid and in fact nothing was paid to them; and

13. Although he was a principal in the buying entities as set forth above, he misrepresented his true license status and attempted to collect compensation. Therefore, Respondent is in violation of N.J.S.A. 45:15-1 and 15-3, (two counts) in that he transacted real estate activity on his own behalf and without the knowledge and authorization of his employing broker; and

14. Respondent is in violation of N.J.S.A. 45:15-17(m) (two counts) in that he collected and/or attempted to collect a commission from someone other than his employing broker; and

15. Respondent is in violation of N.J.S.A. 45:15-17(e) in that the above described conduct constitutes unworthiness, incompetency, bad faith or dishonesty; and

16. Respondent is in violation of N.J.S.A. 45:15-17(a) by making a substantial misrepresentation to a Real Estate Commission investigator during the course of the investigation as set forth in paragraph 9 above regarding the commission clause in the contract for the purchase of the Maplewood, N.J. property; and

17. Respondent failed to indicate his license status on the contract of sale for the Washington, N.J. property, in violation of N.J.S.A. 45:15-17(q);

And for good cause shown,

IT IS ON THIS 14<sup>th</sup> DAY OF MAY, 2018

ORDERED that Respondent Raymond Rice shall show cause why Respondent's 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 the Order to Show Cause, state the factual basis of each and every factual allegation denied and assert any defenses that Respondent intends to present if this matter is deemed a contested case and a plenary hearing is held; and

IT IS FURTHER ORDERED that failure to comply with all 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

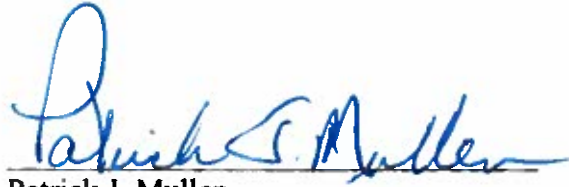
IT IS FURTHER ORDERED that the New Jersey Real Estate Commission will review this Order to Show Cause and Answer filed, if any, at a meeting scheduled on or after the 26<sup>th</sup> day of June, 2018 at 9:30 a.m. to determine whether there is a material fact or issue of law contested. No appearance 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

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 hereof to his last known business address via certified mail.



Patrick J. Mullen  
Director of Banking