

**STATE OF TENNESSEE**  
**500 JAMES ROBERTSON PARKWAY**  
**NASHVILLE, TN 37243 615-741-2273**  
<https://www.tn.gov/commerce/regboards/trec.html>  
**MINUTES**

The Tennessee Real Estate Commission met on August 7, 2024, at 8:30 a.m. CST in room 1-B of the Davy Crockett Tower at 500 James Robertson Parkway, Nashville, TN 37243. In addition, the meeting was streamed electronically via the Microsoft Teams meeting platform. Executive Director Denise Baker read the public disclaimer and called the roll. The following Commission members were present: Chairman Geoff Diaz, Vice Chairman DJ Farris, Commissioner Joan Smith, Commissioner Steve Guinn, Commissioner Jon Moffett, Commissioner Joe Begley and Commissioner Kathy Tucker. Quorum Confirmed. Others present are Associate General Counsel Anna D. Matlock, Associate General Counsel Kimberly Cooper, Associate General Counsel Aerial Carter, Paralegal Carol McGlynn, Education Director Ross White, and TREC staff member Denny Lammers.

The board's August meeting agenda was submitted for approval.

The motion to approve the August 7, 2024, agenda was made by Commissioner Guinn and seconded by Commissioner Smith. The motion passed 6-0, Commissioner Farris was absent.

The June 12, 2024, Commission meeting minutes were submitted for approval.

The motion to approve the June 12, 2024, minutes was made by Commissioner Smith and seconded by Commissioner Begley. The motion passed 6-0, Commissioner Farris was absent.

**INFORMAL APPEARANCES**

Janet Cisneros appeared before the Commission with her Principal Broker, Monte Mohr, to receive approval for her Affiliate Broker license.

Commissioner Guinn motioned to approve Janet Cisneros and seconded by Commissioner Tucker. The motion passed 6-0, Commissioner Farris was absent.

Joan Mourfield appeared before the Commission with his Principal Broker, Tom Gongola, to receive approval for her Affiliate Broker license.

The motion to approve Joan Mourfield was made by Commissioner Begley and seconded by Commissioner Smith. The motion passed 6-0, Commissioner Farris was absent.

Joshua VanAcker appeared before the Commission with his Principal Broker, David Scarbrough to receive approval for his Affiliate Broker license.

Commissioner Guinn motioned to approve Joshua VanAcker and seconded by Commissioner Moffett. The motion passed 6-0, Commissioner Farris was absent.

### **WAIVER REQUESTS**

Executive Director Denise Baker presented Haytham Ibrahim to the Commission seeking a medical waiver for fees.

The motion to deny the waiver request was made by Commissioner Smith and seconded by Commissioner Guinn. The motion carried unanimously.

### **EDUCATION REPORT**

Education Director Ross White presented the Education Report to the Commission.

The motion to approve courses A1-A46 was made by Commissioner Farris and seconded by Commissioner Tucker. The motion passed unanimously.

Education Director Ross White presented the instructor biographies for approval.

The motion to approve the instructor biographies was made by Commissioner Guinn and seconded by Commissioner Smith. The motion passed unanimously.

### **EXECUTIVE DIRECTOR REPORT**

Executive Director Baker presented active licensees by profession, license counts, and exams taken from PSI in the months of June and July.

An open and closed complaint report was also presented to the Commission.

### **HS SENIOR LICENSING PROGRAM**

The Commission was advised that the program has 192 active participants and 108 more on a wait list. The program stopped taking applications on July 30, 2024, and the website was updated to reflect this. TREC and Kaplan hosted a webinar for participants at the end of June. We will be sending participants emails of encouragement to complete the program before the end of October. At the end of October/early November participants on the wait list will be contacted and will be advised that they will only have 3 months to complete the program if selected. Vice Chair Farris commented that it looked to be a very strong outing for the year. Commissioner Guinn inquired as to the source of the funding for the program and was informed by Executive Director Baker that the funding came from TREC. Funding was established several years ago from Governor Lee's office in the hope of attracting students from rural and at-risk counties. The program has since been opened to students statewide.

RFP - Executive Director Baker presented 3 RFPs to the Commission.

- 1) **PSI** - PSI was selected for the development and administration of license examinations for the Tennessee Real Estate Commission. Intent to award a contract has been signed by all parties. The contract has an effective date of Aug 31, 2024 and is good for 5 years.
- 2) **Web Based continuing education tracking and reporting system** - CE Broker was selected to continue to house continuing education. The contract is scheduled to begin on Aug 15, 2024 and is for 5 years. The contract written is for the program to be used for 17 of TDCI regulatory boards including TREC.
- 3) **E&O INSURANCE PROVIDER** - Currently open. Comments and questions deadline for this RFP is next week (w/e 8/16/24) and it will be revised to 18 months instead of 30 months. This round of E&O will expire June 30, 2026. From that period, it will be every 2 years ending on June 30th.

### **TREC UPDATES**

STAFF UPDATE - Dennis (Denny) Lammers was selected to be TREC's new AARBIII.

ARELLO CONFERENCE - Those selected to go to the ARELLO conference have been approved and we will be making those final accommodations this week.

## **DISCUSSION**

Meeting dates for 2025 were discussed. After lengthy discussion it was agreed that Executive Director Baker would send out a proposed schedule to be discussed and/or voted on at the next meeting in September.

## **LEGAL SECTION**

### **RULES REVIEW**

The Commission voted and approved an amended version of the previously presented retrospective rule review package as required by Tenn. Code Ann. § 4-5213. The amended version removes changes to the rules for military applicants as all rules related to military applicants are currently pending review by the Department. The proposed rules are intended to be heard at a rulemaking hearing later this year.

## **CONSENT AGENDA**

The following cases were presented to the Commission via a Consent Agenda. All cases were reviewed by legal counsel and were recommended for either dismissal or disciplinary action.

A motion was made to accept Counsel's recommendation for complaints 1-72 except for the following complaints, which were pulled for further discussion: **2024015731, 2024016311, 2024017251, 2024017271, 2024017531, 2024018521, 2024018571, 2024021791, 2024025101, 2024026321, 2024026811, 2024026851, 2023024141, 2024014041, 2024006971, 2024024161, 2024021281, 2024023701, 2024025661.**

The motion was made by Commissioner Smith and seconded by Commissioner Moffett. The motion carried unanimously.

After further discussion on complaint 2024015731 a motion to assess a \$100 civil penalty with a letter to cease and desist from offering such courses until respondent has reinstated his instructor's license and the course/s have been approved by the

commission was made by Commissioner Begley. Seconded by Commissioner Tucker. The motion carried unanimously.

After further discussion on complaint 2024016311 a motion to accept counsel's recommendation of a \$1000 civil penalty for failure to respond was made by Commissioner Smith. Seconded by Commissioner Tucker. The motion carried unanimously.

After further discussion on complaint 2024017251 a motion to send a letter of warning to exercise reasonable skill and care was made by Commissioner Smith. Seconded by Commissioner Moffett. The motion carried unanimously.

After further discussion on complaint 2024017271 a motion to accept counsel's recommendation to issue Letter of warning regarding the requirement to provide services to all parties with honesty and good faith per T.C.A. § 62-13-403(4). was made by Commissioner Smith. Seconded by Commissioner Moffett. Motion carried unanimously.

After further discussion on complaint 2024017531 a motion to issue a letter of warning to deal fairly and honestly with all parties to a transaction was made by Commissioner Smith. Seconded by Commissioner Farris. Motion carried 6-1 in favor with Commissioner Guinn voting NO.

After further discussion on complaint 2024018521 a motion to accept Counsel's recommendation to assess a civil penalty of \$1000 for unlicensed activity was made by Commissioner Smith. Seconded by Commissioner Moffett. The motion carried unanimously.

After further discussion on complaint 2024018571 a motion to accept Counsel's recommendation to assess a civil penalty of \$1000 for unlicensed activity was made by Commissioner Smith. Seconded by Commissioner Moffett. The motion carried unanimously.

After further discussion on complaint 2024021791 a motion to accept Counsel's recommendation to assess a One Thousand Dollar (\$1,000.00) civil penalty for unlicensed activity and open an administrative complaint against the principal broker for unlicensed activity was made by Commissioner Smith and seconded by Commissioner Moffett. The motion carried unanimously.

After further discussion on complaint 2024025101 a motion to dismiss and open a separate complaint against the firm to be presented at a later date was made by

Commissioner Begley and seconded by Commissioner Smith. The motion carried unanimously.

After further discussion on complaint 2024026321 a motion to accept counsel's recommendation to dismiss was made by Commissioner Smith. Seconded by Commissioner Begley. The motion carried unanimously.

After further discussion on complaint 2024026811 a motion to issue a letter of warning for failure to exercise reasonable skill and care was made by Commissioner Smith. Seconded by Commissioner Begley. The motion carried unanimously.

After further discussion on complaint 2024026851 a motion to issue a letter of warning for failure to exercise reasonable skill and care was made by Commissioner Smith. Seconded by Commissioner Moffett. The motion carried unanimously.

After further discussion on complaint 2023024141 A motion to issue a \$1000 civil penalty for failure to deal fairly and honestly with all parties to a transaction was made by Commissioner Farris. Seconded by Commissioner Smith. The motion passed 6-1 with Commissioner Begley voting no. A further motion was made to reduce the previous civil penalty from \$1000 to \$500 by Commissioner Farris. Seconded by Commissioner Smith. The motion carried unanimously.

After further discussion on complaint 2024014041 a motion was made to issue a \$1000 civil penalty for failure to respond by Commissioner Guinn. Seconded by Commissioner Tucker. The motion carried unanimously.

After further discussion on complaint 2024006971 a motion was made to accept counsel's recommendation to dismiss by Commissioner Guinn. Seconded by Commissioner Moffett. The motion carried unanimously.

After further discussion on complaint 2024024161 a motion was made to assess a civil penalty of One Thousand Dollars (\$1,000.00) for employing an unlicensed affiliate, in violation of Tenn. Code Ann. § 62-13-302(a) and open an administrative complaint against the Affiliate for engaging in unlicensed activity by Commissioner Smith. Seconded by Commissioner Moffett. The motion passed unanimously.

After further discussion on complaint 2024021281 a motion was made to accept counsel's recommendation to dismiss by Commissioner Farris. Seconded by Commissioner Guinn. The motion carried unanimously.

After further discussion on complaint 2024023701 a motion was made to issue a letter of warning for skill and care by Commissioner Smith. Seconded by Commissioner Tucker. The motion carried unanimously.

After further discussion on complaint 2024025661 a motion was made by Commissioner Smith to assess a \$500 civil penalty in violation of Tenn. Code Ann. § 62-13-312 (b)(19). Respondent attempted present themselves as an attorney. Seconded by Commissioner Moffett. The motion carried unanimously.

**Kim Cooper**

**New Complaints:**

**1. 2024016851**

**Opened: 4/8/2024**

**First Licensed: 7/26/2021**

**Expires: 7/25/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant's parent was a seller of a home and Respondent was their agent. Complainant and parent were also purchasing a newly built home and closing on that home the next day. Complainant alleges Parent "repeatedly asked (Respondent) how much they would get from the buyer" of their home at closing and that Respondent was unable to give a "concrete number". Complainant was upset that on the day of closing for their new home Parent needed to wire additional funds over what was expected to purchase the home. Complainant believes Respondent is at fault for not communicating with them and explaining why they had to pay more out of pocket on the day of closing to purchase the new home. Complainant believes that Respondent should be made to pay the shortfall, not Complainant. Complainant also alleged that they tried for several days after the closings to reach Respondent and that Respondent did not respond to their calls or texts.

Respondent provided signed copies of the Listing Agreement, Purchase Agreement, and the Disclosures for each of the homes. Respondent stated that for the purchase of their new home the Complainant:

"...decided to go with the builder's preferred lender and title company in order to receive concessions at closing. They were advised that these companies work for the builder and have their best interest in mind. However, receiving the concessions at closing was very important to them, and they decided to move forward with these companies. Later when I was asked for specific numbers, I let them know that there are privacy laws that prevent me from getting certain information. I informed them

that it would be best to speak with the lender and/or title company to get the requested information. I also let them know that they should be receiving disclosures from the lender three days prior to closing, per law. They were also informed that I will not receive a copy of the disclosure and to let me know if they had questions about it. When I did not hear anything from them, I thought everything was good to go.”

Respondent was called the day of the closing by the selling agent and told that the wire was short, and they could not release the keys. Respondent immediately contacted Complainant and they were able to get the situation resolved before the three-day holiday weekend. Respondent apologized for the frustration but stated they helped the Complainant as much as they could with the information they had. Respondent did not address Complainant’s concern about the lack of communication after the closing(s).

**Recommendation: Letter of Warning regarding the duty to diligently exercise reasonable skill and care in providing services to all parties to the transaction, including communication with the parties.**

**Commission Decision: The Commission accepted counsel’s recommendation.**

**2. 2024015731**  
**Opened: 4/15/2024**  
**First Licensed: 2/14/2014**  
**Expires: 3/14/2026**  
**Type of License: Principal Broker**  
**History: None**

Complainant is the parent of a then fifteen-year-old who enrolled in a “Real Estate Academy” in June 2023. Respondent was the instructor of the course and charged a fee for participation. Complainant alleged that Respondent used their social media platform to recruit young people interested in getting the education and training to obtain their real estate license at age eighteen and at the completion of the program. Complainant alleges that Respondent canceled most of the classes and did not



complete the program, and Complainant alleged that Respondent was not approved by the Commission to teach the program.

Respondent stated that Complainant contacted Respondent and asked if their child could participate even though they did not meet the advertised age for the program. Respondent stated they allowed the minor to participate in an internship program which was never advertised as a licensure program. Respondent asserted they “have been a certified real estate instructor through TREC for a number of years” but that those credentials were not necessary for the internship they offered. Respondent provided a copy of the minor’s registration for the “internship” as evidence that Complainant understood the requirements of the program. Counsel reviewed the registration and it stated: “Participants are expected to complete 90% of all required sessions and assignments to be eligible *for recommendation to licensure...*” (emphasis added)

Complainant provided a rebuttal that included a copy of an advertisement for a “TN Pre-License Exam BootCamp” offered by the Respondent as recently as November 2023. Respondent’s instructor license expired on December 31, 2018.

**Recommendation:        Discuss.**

**Commission Decision:    The Commission voted to authorize formal charges and issue a Consent Order with a One Hundred Dollar (\$100.00) civil penalty for the violation of Tenn. Comp. R. & Regs. 1260-05-161 and that counsel include cease and desist language in the Consent Order regarding offering real estate courses until licensed.**

**3.     2024016101**  
**Opened: 4/15/2024**  
**First Licensed: 8/17/2020**  
**Expires: 8/16/2024**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant was the Seller of a home and Respondent was the agent for a potential buyer. Complainant and Buyer entered into a purchase and sale agreement in January that Buyer terminated a few days later after an inspection revealed HVAC issues along with other concerns. Complainant’s agent and Respondent then negotiated

again for Buyer to purchase the home in March, and that deal again fell through. Complainant alleges they made clear they did not want to sell the home to Respondent's clients because they felt harassed by the Buyers. Complainant alleges that Respondent entered the home to show it to Buyers even after being denied showing requests and left the door of the home unlocked so that their clients could enter "whenever they want". Complainant provided copies of the multiple Purchase and Sale Agreement offers and their counteroffers that took place over three months, Notice of Termination, Confirmation of Agency Status, and Confirmation of Available Funds from Respondent's clients' bank.

Respondent provided a lengthy response denying wrongdoing. Copies of confirmation of multiple showings of the property approved were included starting in January with offers, proof of funds and other supporting documents for those offers. There are counteroffers from Complainant's agent, and emails regarding Complainant's wishes on price and their desire that negotiations move quickly. After several days of back and forth the contract was bound on January 30<sup>th</sup>. Respondent included emails between their brokerage and Complainant's brokerage regarding confirmation of earnest money deposit, inspections to be scheduled and other requested documentation on January 31<sup>st</sup>. The purchase agreement was terminated by the Buyers on February 6<sup>th</sup>, and on February 16<sup>th</sup> and again on March 10<sup>th</sup> the Respondent received a price change notification email from Complainant's agent about the property. Respondent submitted an offer on behalf of their clients on March 12<sup>th</sup> and Complainant countered that same day. Buyers asked to see the home again before deciding on the counteroffer, and a showing request was submitted. The showing was originally approved, then canceled, then the request for a showing was confirmed. Respondent reached out to Complainant's agent to ask for clarification and did not receive a response, so showed the home as scheduled. Respondent denied leaving the home unlocked at any point. Respondent followed up with Complainant's agent later that night with a text stating "All I needed if you didn't want us showing was a reply to the above text."

In a rebuttal submitted by Complainant's adult child ("AC"), AC stated they and their family felt "victimized" by Respondent's behavior. AC then stated, however, that the Buyers may be the problem and not Respondent, but that they lost "money, time and options" and blamed Respondent for their part in it.

It's clear this was a frustrating, lengthy, and eventually unsuccessful negotiation by the parties, but there is insufficient evidence of a violation of the Rules or *Broker Act*.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**4. 2024018341**  
**Opened: 4/15/2024**  
**First Licensed: 5/16/2019**  
**Expires: 5/15/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant purchased a home in 2020 and the Respondent was the seller's agent. Respondent's spouse's company ("Smith Group") was the owner/Seller of the home. Complainant learned in January 2024 that the renovations done on the home prior to the sale by "Smith Group" did not comply with the electrical code. Complainant did further research and found that "Smith Group" never scheduled a final electrical inspection, a final plumbing inspection, foundation inspection, footing ceiling inspection, or final building inspection. Complainant alleges that Respondent knew and did not disclose that information prior to selling the home.

Respondent did not respond to the complaint.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for failure to respond.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**5. 2024016131**

**Opened: 4/22/2024**

**First Licensed: 1/29/2003**

**Expires: 10/14/2025**

**Type of License: Principal Broker**

**History: 2021 Consent Order for failure to supervise an affiliate due to lapse in affiliate's E&O insurance**

Complainant was a buyer and Respondent was Complainant's agent. Complainant wanted to use Respondent's services partly because they believed they would be able to use an affiliated mortgage company's incentives if Respondent was their agent only to later find out that they were not eligible. The parties entered into an agency agreement on February 7 and Complainant made an offer on a property that was not accepted. On February 10 Respondent sent Complainant a listing for a property and set an appointment to view it that afternoon. Complainant was concerned about water leaks and Complainant alleges that Respondent assured them that Respondent could get the owner to provide a one-year warranty on the home. When the offer was prepared, the warranty was not included, and when asked Respondent stated they were concerned Seller would back out if the warranty was included. An inspection revealed numerous items in need of repair, and Complainant alleges Respondent again did not follow their instructions and left several issues off the repair addendum. When confronted about it, Respondent told Complainant that Seller did not have to sign off on the Repair addendum if they "told their agent their intentions" and agreed to the addendum. Complainant terminated the contract for the purchase of the home and their agency agreement with Respondent. Complainant alleges that Respondent did not act with honesty and good faith or exercise reasonable skill and care.

Respondent denied wrongdoing and alleged that Complainant purchased a property in March 2024 while still under the term of the agency agreement and is trying to get out of paying Respondent their commission. Respondent provided copies of documents regarding their representation of Complainant including the exclusive buyer representation agreement, proposed repairs/replacement signed by the Complainant, and the mutual release. Respondent stated they were in the middle of negotiating the repairs when Complainant declined to move forward based on the inspection results. Respondent also included emails between Respondent and the brokerage for the Seller wherein Respondent unsuccessfully asked for their commission under the terms of the agency agreement. Respondent stated that while

they “understand that TREC does not typically handle compensation disputes” they are asking that TREC assist them in obtaining their commission from the selling brokerage.

**Recommendation:** Letter of Warning regarding the duty to provide services to each party to the transaction with honesty and good faith.

**Commission Decision:** The Commission accepted counsel’s recommendation.

**6. 2024016311**  
**Opened: 4/29/2024**  
**First Licensed: 10/17/2016**  
**Expires: 10/16/2024**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant was a buyer of a home and Respondent was their agent. Complainant alleges that they purchased their home in 2022 partially due to the lack of an HOA in that subdivision. Complainant learned in 2023 the developer established their own HOA and contracted with a property management firm to manage the HOA. Complainant alleges that Respondent did not do their due diligence and should have known and advised Complainant that the HOA would be formed.

Respondent did not provide a response to the complaint.

**Recommendation:** One Thousand Dollar (\$1,000.00) civil penalty for failure to respond.

**Commission Decision:** The Commission voted to accept counsel's recommendation.

**7. 2024016701**

**Opened: 4/29/2024**

**First Licensed: 1/26/1989**

**Expires: 9/28/2024**

**Type of License: Principal Broker**

**History: None**

Complainant was a Buyer and Respondent represented Seller. Complainant submitted an offer on the property and then submitted a revised higher offer after learning that there were multiple competing offers. After the parties entered into the Purchase and Sale Agreement, Complainant had the home professionally appraised and learned the home was not 3,150 sq feet as advertised in the MLS and that the lot was also not as large as described. Complainant's agent contacted Respondent to discuss a price adjustment based on the smaller square footage and was told to make an offer. Complainant submitted an offer that was substantially less than previously agreed, and Respondent replied via email that the Sellers had "NO interest in entertaining the offer as presented. Please accept this as official notice that the contract previously accepted is now null and void." Complainant alleges that Respondent unilaterally rescinded the contract without a legal basis to do so and did a disservice to their own clients' interests. Complainant feels that they were then pressured into signing the mutual release by Respondent.

Respondent agreed that the square footage in the listing was not accurate. Respondent's clients were old friends and provided the information for the listing, and Respondent stated that they relied on that information along with a personal inspection of the property which included a "step off (of) the outside of the house." After being told about the appraisal measurements, Respondent went to the home and measured "with a laser" and came up with yet another measurement. Respondent stated they finally asked the local board which of the multiple measurements they should use in the revised MLS listing. Respondent did update the MLS but does not

believe that the square footage was off by almost 1000 square feet as alleged by Complainant. Respondent agreed that they moved to expedite the mutual release because Seller had backup offers that remained willing regardless of the square footage, so Respondent acted on Seller's wishes to move the process along. The home closed approximately a month later for more than the asking price, and the Sellers were happy with the outcome.

**Recommendation: Five Hundred Dollar (\$500.00) civil penalty for violation of Tenn. Comp. R. & Regs. 1260-02-.12(5)(c) which requires listing information to be kept current and accurate.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**8. 2024016911**

**Opened: 4/29/2024**

**First Licensed: 8/6/1999**

**Expires: 4/13/2025**

**Type of License: Real Estate Broker**

**History: None**

Complainant was the administrator of an estate and ordered to sell the decedent's home. Complainant alleges that Respondent "appeared in a court proceeding" and "stopped the sale from happening" by testifying that the home was worth almost \$200,000 more than the sale price. Complainant alleges that Respondent "came of their own free will (to the hearing)" and that as a result their buyer walked away from the deal. Complainant alleges that Respondent's actions show a lack of integrity and ethics.

Respondent stated the Complainant filed a Motion to Approve Sale of Property and at least three of the estate's beneficiaries objected to the sale price as being too low. The probate court conducted a hearing, and the Respondent was called by the beneficiaries as one of three non-party expert witnesses to testify as to the property's

value. As a result of the testimony the Court did not approve the sale. There is no evidence of a violation of the Rules or the *Broker Act*.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**9. 2024017121**

**Opened: 4/29/2024**

**First Licensed: 10/13/2009**

**Expires: 9/23/2024**

**Type of License: Principal Broker**

**History: None**

Complainant purchased a home with their adult child, and the child died without a will. Complainant now co-owns the home with the child's widow and children. Complainant and Widow are at odds in the probate proceedings and the attorneys for each party recommended that the home be sold and that the agents for each party enter into a co-listing agreement between their firms. Complainant now somehow blames Respondent for "lack of access to my property and misrepresentation of me in my home." Counsel reviewed the documents provided by Complainant and could not determine what "misrepresentations" were being made.

Respondent denied any wrongdoing and expressed frustration over repeated complaints and possible abuse of the complaint system. Counsel reviewed prior complaints and found that this is the third related complaint filed by these various parties against the licensees involved. There is no proof of a violation of the Rules or *Broker Act*, and Counsel recommends dismissal of the complaint.

**Recommendation: Dismiss.**



**Commission Decision:** The Commission accepted counsel's recommendation.

**10. 2024017251**

**Opened: 4/29/2024**

**First Licensed: 4/12/2022**

**Expires: 4/11/2026**

**Type of License: Affiliate Broker**

**History: None**

This complaint is related to **REC-2024017261 (#11)** and **REC-2024017271 (#9)**.

Complainant is a licensee. Complainant was the agent for a potential buyer of a home listed by Respondent. Complainant alleged that Respondent refused to give a code to show a home "because I did not pay for Sentri". Complainant alleges Respondent then had their spouse contact the Complainant and threaten to "snap their neck". Complainant provided copies of text messages between Complainant and Respondent wherein Complainant asks for a code and Respondent states they are having issues with their Sentri app, and it won't produce a one-day code. Complainant then goes on to tell Respondent they should have a combo box and are doing their sellers a disservice as Complainant's buyers would now move on. A text later that same day from Respondent's spouse warns Complainant that: "Wanna mouth off to my (spouse) you and I are gonna have problems real quick."

Respondent confirmed they were unable to figure out how to generate a code for Complainant and that Complainant then became "testy" and insulted Respondent's professionalism. When discussing the matter with their spouse, Spouse remembered Complainant from a previous incident where they felt Complainant was rude and aggressive. Respondent denied threatening the Complainant, and there is no proof they did so.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission voted to issue a Letter of Warning for violation of Tenn. Code Ann. § 62-13-403(1), failure to exercise reasonable skill and care.

**11. 2024017261**

**Opened: 4/29/2024**

**First Licensed: 3/1/2021**

**Expires: 1/12/2025**

**Type of License: Real Estate Broker**

**History: None**

This Respondent is the Spouse of Respondent in above complaint. Complainant alleged that: “(Respondent) threatened (sp) physical harm to me and tried to get me to meet (Respondent) so that we could fight and (Respondent) wanted to snap my neck as well as other lewd and obscene, the profane, the libelous, and the insulting or 'fighting' words. (Respondent) was extremely hostile.”

Respondent stated that a month prior to this incident, Complainant wanted to show a house listed by Respondent, but the property was on hold for a few days while repairs were being made. Respondent stated Complainant became hostile and accused Respondent of lying and said that they would try to gain access to the home by looking up codes this client had used in the past. Respondent warned Complainant not to try that and ended the call before it could escalate further. As to this incident, Respondent stated that when Spouse told Respondent about the exchange with Complainant, Respondent remembered Complainant from the previous incident and told Spouse they would contact Complainant because they did not want Complainant to speak to Spouse, the way they had spoken to Respondent previously. Respondent and Complainant had a confrontational phone call, but Respondent denied threatening Complainant, and the reference to a “problem” in the later text message was Respondent warning they would speak with Complainant’s principal broker about Complainant’s unprofessional behavior. There is no evidence of threats of physical harm against Complainant in the provided text messages.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**12. 2024017271**

**Opened: 5/6/2024**

**First Licensed: 10/8/2018**

**Expires: 10/7/2024**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a licensee. Complainant alleged that Respondent tried to “bully” their way into a property even after Complainant made clear it was not available for showings and was aggressive and rude in a phone call. Approximately a month later, Complainant alleges Respondent was aggressive, offensive, and unprofessional with Respondent’s spouse regarding a listing that Respondent wanted to view but spouse was unable to generate a one-day Sentri code to allow access. Complainant alleges that in addition to text messages that Respondent and Complainant had a phone call wherein Respondent was insulting to both Complainant and Spouse and was “vulgar”. Complainant stated that Respondent “seems to be extremely comfortable in becoming aggressive, and misogynistic with women.”

Respondent stated that Complainant is lying about their own actions to retaliate against Respondent. Respondent opined that Complainant should be mentally evaluated and might hurt someone. Complainant provided a rebuttal and stated that if they had sent “threatening text messages” to Respondent, Respondent would have provided them. “(Respondent) did not submit them because they do not exist.” Based on the statements of Complainant and Spouse, it appears that Respondent has acted in an unprofessional and possibly dishonest manner with the Complainant and the Commission.

**Recommendation:** Letter of warning regarding the requirement to provide services to all parties with honesty and good faith per T.C.A. § 62-13-403(4).

**Commission Decision:** The Commission voted to accept counsel's recommendation.

**13. 2024017281**

**Opened: 4/29/2024**

**First Licensed: 3/24/2016**

**Expires: 9/18/2025**

**Type of License: Real Estate Broker**

**History: None**

Complainant is a contractor who previously did renovation for work for Respondent in 2019. Complainant alleges that Respondent did not pay for the work and filed "false claims" against them with the state contracting board. Complainant also alleges that Respondent is still leaving bad reviews regarding Complainant's work via social media and the Better Business Bureau.

Respondent denied any wrongdoing. There is no evidence of a violation of the Commission Rules or the *Broker Act*.

**Recommendation:** Dismiss.

**Commission Decision:** The Commission accepted counsel's recommendation.

**14. 2024017531**

**Opened: 4/29/2024**

**First Licensed: 4/28/2017**

**Expires: 4/27/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a certified home appraiser. Respondent was the listing agent for a home that Complainant was to appraise. Complainant alleges that Respondent met Complainant at the door of the home before they could begin “to discuss the situation”. Complainant alleges that Respondent provided “comps” that were not actually applicable but would zero in on a certain price per square foot. Complainant was not receptive to Respondent’s arguments, and Respondent then contacted the loan agent and complained about Complainant. Complainant alleges that the loan agent then canceled the appraisal, and the bank was considering not using the Complainant in the future. Complainant alleges that Respondent’s conduct violated both the *Broker Act* and federal law.

Respondent stated that they had a hard time finding comparable properties in the neighborhood when the property was listed because homes that recently sold were larger and mostly outdated while the subject property had just been extensively updated. Respondent met the Complainant at the home and alleges that Complainant immediately said the home was going to be a “problem” and that Complainant seemed irritated throughout the encounter. Respondent contacted the loan officer because they felt Complainant was unprofessional and would not submit a fair appraisal. Respondent denies suggesting that the bank refuse to use Complainant’s services and alleges that it was the loan officer who indicated they had received other complaints and may discontinue using Complainant’s services.

Complainant provided a rebuttal accusing Respondent of colluding with the loan officer to obtain the appraisal amount they both needed. Complainant stated that if Respondent had an issue with their appraisal the proper avenue to contest the appraisal is to provide additional comparable sales.

Based on the information provided there is insufficient evidence of a violation of the Commission Rules or the *Broker Act*.

**Recommendation: Dismiss.**

**Commission Decision: The Commission voted to issue a Letter of Warning for violation Tenn. Code Ann. § 62-13-403(4), failure to provide services to all parties with honesty and good faith.**

**15. 2024018111**

**Opened: 5/6/2024**

**First Licensed: 1/26/2021**

**Expires: 1/25/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant contracted to have a home built and Respondent was the agent for the builder. Complainant alleged that Respondent was untruthful regarding the timeline for finishing the home. Respondent initially estimated a closing date in March 2024 and as of May the home was still not completed. Complainant asked to be released from the purchase agreement and their earnest money returned and alleged Respondent is refusing both requests. Complainant alleges fraud and mistreatment by Respondent and their client.

Respondent always stated during the process Complainant was represented by their own agent and that agent assured Respondent that they had “significant experience with new development and homebuilding.” Respondent stated they made clear in conversations with Complainant and their agent at the contract review meeting that the estimated completion date was just that, an “estimate”, and that they did not have a recorded plat yet. Respondent also highlighted that the deposit was non-refundable.

When Complainant became unhappy with the timeline of completion Respondent conferred with their clients who declined to return the deposit and intended to enforce the contract. Counsel requested a copy of Complainant's file, and all documents appear to be in order with clear terms. As of the date of the report Complainant has been provided a closing date. There does not appear to be a violation of the Commission Rules or the *Broker Act*.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**16. 2024018521**

**Opened: 5/6/2024**

**First Licensed: 8/27/2009**

**Expires: 8/26/2023 (Expired)**

**Type of License: Affiliate Broker**

**History: None**

This complaint is related to **REC-2024021791 (#18)** and **REC-2024018571 (#17)**.

Complainant is a licensee. Complainant stated that their clients/potential buyers sent them a property listed by Respondent and wanted to make an offer. Complainant contacted Respondent and conveyed an offer, and Respondent asked if they could close at a different title company because the one the buyers preferred "could not do a double closing for a wholesaler." Complainant was previously unaware that the property was being sold by a wholesaler, and asked questions about the actual owner of the property. Complainant then followed up with TREC and confirmed that the Respondent's license and that of their affiliated firm were expired. When Respondent was asked by Complainant about their license status, Respondent denied they were expired and was "not sure why" the Commission would say that.

The principal broker of the firm Respondent appears to be working for responded by providing an email exchange between them and the Respondent. Respondent stated that their license was up to date as confirmed by the program and attached an email from the TREC staff. Respondent asserted that they were told their reinstatement had been approved “but until the broker was active, they wouldn’t activate it.” The license of the principal broker that provided the response has been expired since September 2023, and the firm license has been expired since November 2023. Respondent also attached a copy of a purchase and sale agreement with the owners of the property and Respondent’s apparent wholesaler client/employer as the buyers, described as “active (out of state) real estate licensees.” The Respondent replied, “not much else to say here.”

Counsel reviewed the email Respondent referenced and the program staff told Respondent: “You need to reach out to your firm’s principal broker to get your form corrected and inform him that firm’s license needs to be renewed immediately. Your reinstatement will not approve until the firm is active.” This email was received and acknowledged by the Respondent in January 2024. Their license is still expired as of the date of this report. Counsel contacted the principal broker who provided the response to confirm they were aware of the still-expired license status of the Respondent, their firm and their own license but did not receive a response.

**Recommendation:        One Thousand Dollar (\$1,000.00) civil penalty for unlicensed activity.**

**Commission Decision:    The Commission voted to accept counsel’s recommendation.**

**17.    2024018571**

**Opened: 5/6/2024**

**First Licensed: 8/27/2009**

**Expires: 8/26/2023 (Expired)**



**Type of License: Affiliate Broker**

**History: None**

This complaint is related to **REC-2024021791 (#18)** and **REC-2024018521 (#16)**.

Complainant is a licensee, and their clients wanted to make an offer on property listed by the Respondent. When Complainant searched for additional information, they needed to write the offer, they learned that Respondent's license was expired. Complainant notified Respondent and was told that was incorrect and they would "look into it." Complainant then did a pre-sell title search and the title representative had concerns that the owner of record was deceased. Respondent told Complainant that the wholesale company they represent had a contract with the owner of record but would not provide additional information.

Respondent's response as provided by the principal broker of the firm they are apparently working with stated that "These 'Realtors' don't understand the wholesaling process and were simply confused."

**Recommendation: One Thousand Dollar (\$1,000.00) for unlicensed activity.**

**Commission Decision: The Commission voted to accept counsel's recommendation.**

**18. 2024021791**

**Opened: 5/13/2024**

**First Licensed: 11/10/2021**

**Expires: 11/9/2023 (Expired)**

**Type of License: Real Estate Firm**

**History: None**

This complaint is related to **REC-2024018571 (#17)** and **REC-2024018521 (#16)**.

This firm's principal broker forwarded a response on behalf of the Respondent in the related complaints. For the reasons stated above, Counsel recommends a \$1000 civil penalty for unlicensed activity and the Commission open an administrative complaint against the principal broker for unlicensed activity.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for unlicensed activity and open an administrative complaint against the principal broker for unlicensed activity.**

**Commission Decision: The Commission voted to accept counsel's recommendation.**

**19. 2024024701**

**Opened: 5/13/2024**

**First Licensed: 5/24/1974**

**Expires: 1/11/2025**

**Type of License: Real Estate Broker**

**History: None**

Complainant inherited a home after the death of their parent; affiliate broker ("AB") of the Respondent listed the home. Repairs and a thorough clean-out were needed, and Complainant alleges that AB coordinated the hiring of the cleaning crew and confirmed to Complainant's sibling that the work had been done. Sibling paid the cleaning company directly but then learned that there was still trash and furniture left in the home despite AB's confirmation that it had been properly done; that the front door had been left unlocked for several weeks while the home was actively listed; and that the HVAC had been turned on and left on despite their instructions to the contrary. Complainant alleges that when they contacted Respondent about the

issues, Respondent would not assist them. Complainant alleges Respondent acted with a lack of reasonable skill and care as required by Tenn. Code Ann. § 62-13-403(1).

AB responded on behalf of Respondent. AB stated that the front door lock was broken; that the owners knew that it was broken; and at the time of the listing appointment AB was given instructions to only use the garage code to enter the home. Regarding the clean-out of the home, AB stated Sibling coordinated all of it, that AB asked that they reach out to the company directly to discuss what needed to be removed since AB didn't know what Complainant and Sibling would want to keep or be thrown away, and that when AB went by the house after it was done and discovered that some trash and personal items were still inside a closet they immediately contacted Sibling to let them know. AB provided texts with Sibling where they discuss the problem and that Sibling followed up with the company. AB stated they had never been told not to use the HVAC and that it was probably turned on by the agent who hosted the open house in June. The text messages document a deteriorating working relationship and miscommunications between the parties; there is no mention of the lock issue or HVAC in the text messages provided; and AB responded promptly to the concerns that Sibling did bring up in the messages but obviously not to Sibling or Complainant's satisfaction. Respondent did contact Sibling but was unable to salvage the relationship and they were fired. Based on the documentation provided there is insufficient evidence of a violation of Commission Rules or the *Broker Act*.

**Recommendation:       Dismiss.**

**Commission Decision:       The Commission accepted counsel's recommendation.**

**20.   2024024811**

**Opened: 5/13/2024**

**First Licensed: 2/19/2021**

**Expires: 2/18/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant was selling their unoccupied home and had an agent representing them. Respondent was an agent for potential buyers. Complainant alleged they stopped by the home and saw potential buyers in the home without the Respondent. Complainant was told by the couple that Respondent couldn't meet them there to show the home so provided the lockbox code. Complainant contacted their agent who immediately followed up with the Respondent.

Respondent admitted they had a lapse in judgment and apologized for their error. Respondent stated that as soon as they were informed by the listing agent that Complainant came to the house while their buyers were there, Respondent contacted their principal broker, apologized to the listing agent and complainant, and offered to replace the lockbox. Respondent's principal broker also apologized for Respondent's actions.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for lack of reasonable skill and care.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**21. 2024025101**

**Opened: 5/13/2024**

**First Licensed: 8/28/2013**

**Expires: 6/27/2026**

**Type of License: Real Estate Broker**

**History: None**

Complainant is a former tenant of a home that Respondent currently has listed for lease. Complainant provided copies of a certified letter sent from a property management company (“Smith Company”) that included a ledger of rent payments and an explanation of funds kept from the security deposit that Complainant argues are not owed. Complainant alleges that Respondent refuses to return their full security deposit in violation of Tenn. Code Ann. 62-13-312 which requires licensees to account for or to remit any moneys coming into the licensee's possession that belong to others within a reasonable time.

Respondent denied any knowledge of Complainant, their lease agreement or the agent that originally represented Smith Company when the lease was executed. Respondent stated that they were contracted with Smith Company to market the home for lease after Complainant terminated their lease and do not have access to Complainant’s funds, nor could they vouch for the accuracy of the letter that Complainant received from Smith Company.

**Recommendation:       Dismiss.**

**Commission Decision:   The Commission voted to accept counsel’s recommendation to dismiss the complaint and to administratively open a complaint against the firm.**

**22.   2024021581**

**Opened: 5/13/2024**

**Unlicensed:**

**History: None**

Anonymous complainant alleged that Respondent was operating as an unlicensed property management company.

Respondent’s attorney answered on behalf of Respondent. The property is an apartment complex and Respondent’s resident managers meet the exemption for licensure pursuant to Tenn. Code Ann. § 62-13-104(a)(1)(E) in that their duties are

limited to “supervision, exhibition of residential units, leasing or collection of security deposits and rentals from the property” and they do not negotiate the amount of the security deposits or rentals.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel’s recommendation.

**23. 2024023881**

**Opened: 5/13/2024**

**First Licensed: 2/2/2010**

**Expires: 5/18/2026**

**Type of License: Real Estate Firm**

**History: None**

Complainants were tenants in a home managed by Respondent and submitted a complaint against Respondent with multiple allegations of wrongdoing that would fall under landlord/tenant law and therefore not under the jurisdiction of the Commission. Complainant also alleged Respondent wrongfully refused to return their security deposit after termination of lease.

Respondent stated that there was damage to the carpeting in the home due to Complainants’ pets that required the carpet be replaced. Respondent provided invoices and copies of emails between the parties wherein the amount and reason for part of the security deposit being forfeited was explained to Complainants, and Complainants didn’t object. Complainant was sent a check for almost two-thirds of their deposit within a few weeks of moving out of the home. Based on the information provided, there is insufficient evidence of a violation of the Rules or the *Broker Act*.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel's recommendation.

**24. 2024026061**

**Opened: 5/20/2024**

**First Licensed: 7/15/2020**

**Expires: 7/14/2026**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a financial services company and loaned money to Respondent/licensee. Complainant provided a copy of their loan agreement and stated that Respondent "has a UCC1 filing and was advised that violation is fraud and continued to close deals...if (they) are willing to circumvent a contract that could lead to criminal charges how do we know if (Respondent) is intentionally committing fraud with (their) home sales."

Respondent acknowledged defaulting on the payments and is currently in the middle of bankruptcy proceedings. Respondent provided copies of text messages from Complainant to Respondent threatening to "file charges" and threatening to file a complaint with TREC if Respondent did not immediately pay the full amount of the loan plus fees and interest.

There is no evidence of a violation by Respondent of the Commission Rules or *Broker Act*, but Counsel recommends a referral of Complainant's messages to Respondent to the Collection Services Board for review under their Rules and laws governing fair debt collection practices in Tennessee.

**Recommendation: Close with a referral of Complainant to the Collection Services Board of Tennessee.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**25. 2024026821**

**Opened: 5/20/2024**

**First Licensed: 3/18/2008**

**Expires: 3/17/2026**

**Type of License: Real Estate Firm**

**History: None**

Anonymous Complainant alleges an affiliate broker of Respondent firm posted open house signage on the wrong property. Complainant alleged that even after being told that the signage was in front of the wrong house Respondent continued to bring potential buyers to the wrong home. Complainant did not provide any additional information or pictures of the signage or the alleged trespassing.

Respondent provided a response from the affiliate broker ("AB") who conducted the open house. AB stated that the sign was placed on one side of the driveway close to the street, and that AB did not realize the driveway was a shared driveway with a neighbor. Neighbor took the sign down and told AB to keep their signs on the Seller's side of the driveway, then complained that AB had crossed a property line when they were walking in the backyard with a potential buyer. AB did put the sign back up on the Seller's side of the driveway; denied crossing any property lines; and learned after the fact that the Seller and neighbor have previously "been at odds".

Based on the information provided there is insufficient proof of a violation of Commission Rules or the *Broker Act*.



**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**26. 2024026591**

**Opened: 5/20/2024**

**First Licensed: 3/2/2017**

**Expires: 3/1/2025**

**Type of License: Vacation Lodging Service Firm**

**History: None**

Complainant is a homeowner in a subdivision that contains deed-restrictions regarding short-term rentals. Respondent is contracted to manage a home that has those same deed restrictions, but the owners have decided to market the home as a short-term rental ("STR"). Complainant alleges that Respondent and their employees have threatened them with violence for complaining about the STR and their management of that property when Respondent knows the STR violates the deed restrictions. Complainant feels that the Respondent is violating their "ethical and moral" responsibilities as a licensee by continuing to manage the STR.

Respondent provided a copy of the property management contract executed by the owners of the property, along with a copy of a 2023 Tennessee Supreme Court ruling that Respondent argues found deed restrictions prohibiting STRs as "too vague" and therefore unenforceable. Respondent stated they have a valid contract with the property owner and that the Complainant's concerns about the STR should be addressed with the property owner, not the property management company. Respondent stated they have already had to address issues with several STR marketing platforms because of complaints filed with those companies by Complainant and has consulted with their own legal counsel regarding options for action against the Complainant.

Complainant provided a rebuttal again asserting that the Respondent was in violation of the Commission's "rules and ethics" by continuing to operate the STR for the property owner. Complainant also alleged an ongoing pattern of harassment by Respondent and said they were "informed by good authority" that Respondent has acted inappropriately towards other homeowners in the subdivision. Complainant stated they had already contacted local law enforcement about the alleged threats but asked the Commission "to investigate this ongoing conduct of licensed individuals and how they can keep justifying their actions."

Ultimately, Counsel agrees with Respondent's argument that Complainant needs to address any perceived violation of the deed restrictions with the property owner, not with Respondent. Complainant is not a party to any transaction with Respondent, and there is insufficient evidence that Respondent has violated the Commission Rules or the *Broker Act*.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**27. 2024026321**

**Opened: 5/28/2024**

**First Licensed: 12/20/2013**

**Expires: 12/19/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant was an out of state buyer and Respondent was the agent for the seller. Complainant alleged that the Respondent was "greedy and rude" for not accepting Complainant's offer. Complainant added juvenile personal insults against the Respondent in their complaint.

Respondent provided a response and denied wrongdoing.

**Recommendation: Dismiss.**

**Commission Decision: The Commission voted to accept counsel's recommendation.**

**28. 2024026541**

**Opened: 5/28/2024**

**First Licensed: 1/23/2020**

**Expires: 3/22/2025**

**Type of License: Real Estate Broker**

**History: None**

Complainant and two siblings sold a home and Respondent was their listing agent. The home sold for \$396,000 and closed on February 5. On February 8, Complainant saw that the home had been placed back on the market, with no improvements made, with a list price of \$475,000. On April 15, the home sold for \$464,300. Complainant noted that they originally listed the house in October 2023 for \$459,000 and received no offers, so relisted the home in January for \$396,000. Complainant alleges that they and their siblings lost out on \$68,300 and ask that the Commission “investigate the Buyer/Seller of this property along with their real estate team to see if there was any type of unethical behavior to note.” Complainant provided copies of the Escrow Agreement, ALTA Settlement Statement, and other transaction documents.

Respondent stated that they can certainly sympathize with the Complainant but cannot speak to why the property was able to sell for substantially higher just a few weeks later. Respondent documented how they initially suggested a \$409,000 list price but the Complainant and siblings were concerned about a potential TennCare lien and the possibility of foreclosure. Respondent wanted to be competitive enough

to get the home sold quickly while also providing some money to the Sellers after the debt was paid off. The Sellers pushed for the higher list price at \$459,000 and Respondent complied. Respondent also provided copies of emails between the parties wherein Respondent explained the reasoning for the list price and extensive discussions about the amount of the lien (if any); comps in the area that supported the list price; and a copy of an appraisal done in October that placed the value at \$420,000. When they re-listed the home at \$396,000 Respondent stated that was a number one of the siblings came up with, and the home sold quickly at that price.

While the Complainant's frustration is understandable, there is no evidence that there is a violation of the Rules or the *Broker Act*.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**29. 2024021981**

**Opened: 6/10/2024**

**First Licensed: 4/13/1983**

**Expires: 5/31/2025**

**Type of License: Real Estate Firm**

**History: None**

Related to **REC-2024026541 (#28)**. This is the firm of the Respondent broker in the case above. For the reasons stated above, Counsel recommends dismissal.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**30. 2024026641**

**Opened: 5/28/2024**

**First Licensed: 8/8/1996**

**Expires: 3/24/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant was a buyer and Respondent was the agent for Seller. Complainant made a full-price offer on a home the first day it was listed, May 3, 2024, and alleges that Respondent delayed a response from Seller to increase interest in the home. Respondent then notified Complainant's agent that there were multiple offers and that all offers would be considered on May 6, 2024. Complainant was not the winning bidder, and Complainant seems to be alleging that the Respondent treated Complainant unfairly.

Respondent denied any wrongdoing and explained that Seller received nine (9) offers on the first day of the listing, so they immediately sent out a Multiple Offer Disclosure to all current bidders. Complainant's offer was not the highest offer nor was it the best offer "from other aspects of the contract as far as the seller was concerned." Based on the information provided there is no proof of a violation of the Rules or *Broker Act*.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**31. 2024026811**

**Opened: 5/28/2024**

**First Licensed: 9/19/2018**

**Expires: 9/17/2024**

**Type of License: Affiliate Broker**

**History: None**

This matter is related to **REC-2024027721 (#32)** below.

Complainant attempted to purchase home, and Respondent was the agent for Sellers. A purchase and sale agreement was signed by Complainant with an amendment added making Complainant's offer a Back Up Agreement Contingency. Buyer 1 backed out after the appraisal was too low, and Respondent contacted Complainant to let them know their offer was the "primary and active offer". Complainant moved forward with their home inspection and appraisal and necessary mortgage paperwork. Complainant alleges that they were contacted a few days later by Respondent and told that Buyer 1 decided to cover the gap in the appraisal and that Complainant would not be purchasing the home. Complainant alleges fraud by Respondent. Complainant provided copies of their Purchase and Sale Agreement, Amendment to the Purchase and Sale Agreement adding the Back-Up Agreement and the Back Up Agreement. Only the Back Up Agreement Contingency Addendum is signed by both the Complainant and the Seller. Complainant also provided text messages between Complainant and Respondent's associate (REC #2024026811) wherein associate stated they "really tried to make this work for y'all...but there was nothing I could do since the first buyer decided to move forward without an appraisal amendment."

Respondent stated: "Our Sellers never accepted the backup offer from Buyer 2 (Complainant) but came back when Buyer 1 was possibly walking. Buyer 1 surprisingly moved forward, and we immediately called (Complainant) and let (them) know...(Complainant) was fine since (they) knew it was a backup offer." Respondent stated that Seller was willing to move on to Complainant's offer and did execute the PSA with the Back Up Agreement but then Buyer 1 came back to the table, and they went forward with the contract. Buyer 1's decision to move forward without the appraisal amendment was timely done and notification made to Complainant that same day.

Based on the information and documents provided there is insufficient evidence of a violation of the *Broker Act* or Commission Rules.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission voted to issue a Letter of Warning for violation of Tenn. Code Ann. § 62-13-403(1), failure to exercise reasonable skill and care.

**32. 2024027721**

**Opened: 6/10/2024**

**First Licensed: 8/24/2023**

**Expires: 8/23/2025**

**Type of License: Affiliate Broker**

**History: None**

Related to **REC-2024026811 (#31)**. Respondent was a co-listing agent in the matter above. For the reasons stated above, Counsel recommends dismissal.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel's recommendation.

**33. 2024026851**

**Opened: 5/28/2024**

**Unlicensed**

**History: None**

Complainant alleged that Respondent advertised a home for sale with an inaccurate lot size and acreage. When Complainant inquired with TREC about Respondent's license, Complainant learned that Respondent was not licensed in Tennessee. Complainant provided a copy of the MLS for the home and Respondent's name is provided as the agent.

Respondent stated that they are the partner in the real estate company that listed the property. An affiliate broker with their company that is properly licensed in Tennessee turned in the paperwork for the listing and a staff member inadvertently entered the listing in the MLS with Respondent's information instead of the principal broker for their Tennessee office. Respondent also apologized for the error in the lot size mentioned in the listing and stated that both issues were addressed immediately when Respondent and the principal broker became aware of the issues.

**Recommendation:        Discuss.**

**Commission Decision:    The Commission voted to issue a Letter of Warning for violation of Tenn. Code Ann. § 62-13-403(1), failure to exercise reasonable skill and care.**

#### **TIMESHARES:**

**34.    2024020881**

**Opened: 5/13/2024**

**First Licensed: 4/20/1999**

**Expires: 12/31/2024**

**Type of License: Time Share Registration**

**History: None**

Complainants purchased a time-share interest in 2021 and allege that Respondent misled them regarding fees and costs associated with the purchase. Complainants attempted to cancel their contract in 2023. Complainants allege Respondent then offered a "Warranty Deed in Lieu of Foreclosure" in March 2024 if Complainants were able to pay the delinquency on their account of \$4100. Complainants state they attempted to comply but allege that Respondents then told them there was no "deed" to be provided. Complainants allege fraud by Respondents.



Respondent's attorney ("RA") responded on behalf of Respondent. RA confirmed that they attempted to assist Complainants with the delinquency on their contract but were unable to do so. The funds that were paid by Complainants to "settle" the contract in 2024 were refunded to the Complainants, and their account was cancelled due to default of the Complainants. All monies previously paid on the purchase were kept by Respondent as liquidated damages per the Complainants' contract, a copy of which was provided by both Complainants' and Respondent.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

### **CASES TO BE REPRESENTED**

**35. 2023024141**

**Opened: 6/26/2023**

**First Licensed: 12/16/1993**

**Expires: 1/4/2025**

**Type of License: Principal Broker**

**History: None**

This complaint was a referral from the Attorney General's Office of Consumer Affairs. Complainant was a potential buyer of property and Respondent was the listing agent. Complainants were working with a buyer's agent, but that agent was unable to meet with the Complainants at the desired property, so Respondent agreed to meet Complainants at the property. Complainant alleges that after viewing the property they made a full price offer to the seller and waited to hear from Respondent. Respondent replied almost 24 hours later with a rejection of the offer, and Complainants stated they "did not have a chance to make a counteroffer". Complainants allege that they later learned that the Respondent purchased the property from the seller and re-listed the property at a higher price. Complainants did not provide any documentation of their allegations.

Respondent did not respond to the complaint.

**Recommendation:**        **\$1000 civil penalty for failure to respond.**

**Commission Decision:**    **The Commission voted to accept counsel's recommendation.**

**New Information:** Respondent responded to receipt of their consent order by vehemently denying they did not provide a response to the complaint. Respondent provided Counsel a copy of the response they gave to the Attorney General's Office of Consumer Affairs and argues that they gave a response to "the State", assumed that the Commission would have a copy of that response, and they should not receive a civil penalty for failure to respond to the Commission. Going forward Respondents will be notified when a complaint is the result of a referral from another state agency, as a licensee they must provide a response to the Commission separately from any prior response provided to any other state agency.

**New Recommendation:** **Discuss.**

**New Commission Decision:** **The Commission voted to defer this complaint to the August meeting so that Counsel can review and present information from the Respondent's response to the complaint.**

**New Information:** Respondent agreed that they met the Complainant at the listed property because Complainant's agent was not available to show the property. Respondent alleges they had spent "the first couple of weeks (after the listing) out there with a chain saw clearing out and making improvements to the access road at my expense." Respondent's first chance to walk the acreage was the day they met Complainant and they "fell in love with the property". Respondent advised Complainant to submit a "clean offer" for full price and that they had at least one other interested buyer, but Complainant's offer instead asked for some closing costs to be paid by Sellers. Respondent presented Complainant's offer to Sellers along with an offer from a third party and they presented their own offer which was above asking price; Respondent "also shared with my clients all that was on my heart including my future vision for the property." Respondent alleges that Complainants contacted the Sellers directly and were upset about not being able to make a counteroffer, but Respondent opined they simply "loved the farm more than the

**Complainant” and that was why they made a higher offer. Respondent asked the complaint to be dismissed as they “have vast knowledge of the law as it pertains to real estate”; the Complainant had no right to a counteroffer from Seller; and their own actions were “perfectly legal and ethical”.**

**New Recommendation: Discuss.**

**New Commission Decision: The Commission voted to authorize a formal hearing and to issue a subsequent Consent Order with a civil penalty of One Thousand Five Hundred Dollars (\$1,500.00), or Five Hundred Dollars (\$500.00) for violation of Tenn. Code Ann. § 62-13-313(a)(2), failure to respond within and One Thousand Dollar (\$1,000.00) civil penalty for violation of Tenn. Code Ann. § 62-13-403(4), failure to provide services to all parties with honesty and good faith.**

**36. 2024014041**

**Opened: 4/15/2024**

**First Licensed: 4/20/1999**

**Expires: 12/31/2024**

**Type of License: Time Share Registration**

**History: None**

Complainant/buyer alleges Respondent has failed to provide a “clear copy of the title/deed from the timeshare we allegedly purchased in July of 2020. Due to the failure of Respondent to do so, Complainants allege they have a right to cancel the contract and their deposit returned. Complainant provided copies of their purchase contract. A review of the documents found an Addendum that gives the **Respondent** the option to cancel and refund the purchase funds if clear title is not obtained (the development was obtained through foreclosure proceedings) or the right to essentially upgrade the Complainant’s interest without additional cost to the Complainants. In any event, a warranty deed was obtained and filed with the county clerk in January 2022. Complainants ask for assistance in canceling their contract.

Respondent acknowledged receiving notice of the complaint on April 3, 2024, and provided a response on May 7, 2024. Respondent maintained that the contract was valid, a warranty deed was provided, and denied any wrongdoing.

**Recommendation:** One Thousand Dollar (\$1,000.00) civil penalty for failure to respond within ten (10) days.

**Commission Decision:** The Commission accepted counsel's recommendation.

**New Information:** Respondent's attorney asked for the Commission to reconsider and dismiss the complaint. As grounds for reconsideration, they submitted the following statement:

“(Respondent) respectfully requests that this case be dismissed. (Respondent) has faithfully responded to many complaints over the years in a diligent and timely manner. In this instance, the paralegal responsible for responding was on vacation and moving across the country at the time the complaint response was due. By excusable neglect, (Respondent) failed to secure an extension of time to respond. Nonetheless, the response was sent on May 7<sup>th</sup>, so there was very little delay and no harm to the consumer due to (Respondent's) belated response. I do not also see in the file where (Respondent) received any notice that if they did not respond that a penalty would be issued. Therefore, (Respondent) respectfully requests that this case be dismissed without any penalty.”

**New Recommendation:** Discuss.

**New Commission Decision:** The Commission voted to reinstate their previous decision and issue a civil penalty of One Thousand Dollars (\$1,000.00) for violation of Tenn. Code Ann. § 62-13-313(a)(2), or failure to respond within ten (10) days.

**Aerial Carter**

**New Complaints:**

**37. 2024006971**

**Opened: 3/26/2024**

**Unlicensed  
History: None**

Complainant is a Tennessee resident. Respondent is unlicensed and from out of state. Complainant alleges Respondent engaged in unlicensed activity. They allege that the Respondent contacted them about finding a potential buyer for a property located in Tennessee and that they would pay if they brought a buyer. The Complainant then asked the Respondent if they were licensed or under contract to buy the property. The Respondent answered “no” to both and that they had an agreement with the seller to find a buyer.

Respondent stated that the complaint is false and insufficient. They stated that they were a wholesaler, and they were applying a wholesale fee, and they told the Complainant that they were a wholesaler asking for assistance to assign a contract. The Respondent attached a contract. However, the contract did not have the address mentioned in the complaint, the Respondent’s name, name of the seller, the buyer, or any disclaimer of wholesaling.

Counsel asked the Respondent for additional information. The Respondent did not provide the requested information.

Due to the incorrect address on the contract attached in the complaint and lack of information in the complaint, there is not enough information to determine if a violation occurred. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission voted to accept counsel’s recommendation.

**38. 2024013841**

**Opened: 4/1/2024**

**First Licensed: 7/6/2016**

**Expires: 7/5/2026**

**Type of License: Affiliate Broker**

### **History: None**

Complainant is a Tennessee resident and Buyer in a real estate transaction. Respondent is an Affiliate Broker and represented the Seller in a real estate transaction. Complainant alleges Respondent failed to disclose issues with the changing condition of the home including issues with the foundation, cracks, settling of the home.

The Respondent's Attorney (Attorney) submitted a response on their behalf. The Respondent stated that the Buyers were provided legal notice of the condition of the home and to their knowledge, all previous issues with the foundation had been resolved. Additionally, they believe that the Sellers were proactive in any issues with the property.

Both parties attached multiple documents. Counsel reviewed all documents provided. Based on the information provided, the home was purchased on October 2, 2023. On July 18, 2023, the Seller sent the initial disclosure form. The Seller did not disclose any issue with the foundation at the time.

On August 31, 2023, Amendment #2 (Amendment 2) to the Purchase and Sale Agreement was submitted. Amendment 2 amended the initial property condition disclosure that was previously signed. The amendment included disclosure of that on January 12, 2023, support beams were added in response to cracks that appeared in the home, and it was installed preemptively to ensure no future issues with the home settling. Amendment 2 also addressed that the Seller did not initially disclose the cracks because they were told after an inspection that there was no foundational issue just a suggestion to add the beam to prevent any settling of the load bearing walls. All parties signed this document on September 8, 2023.

On October 3, 2023, an update to the disclosure form (Disclosure 2) was sent. Disclosure 2 stated that moisture was noticed along with drywall seams, and it provided repairs that would be made. The document also mentioned that the changes to the property may be material and occurred after the disclosure was presented to the Buyer. This document was signed by all parties.

Counsel finds Complainant's allegations related failure to disclose adverse issues with the property to be unfounded. Under Tenn. Code Ann. § 62-13-406(c), there shall be no imputation of knowledge or information among or between clients, the managing broker and any designated agent or agents in a designated agency situation. Here, there was nothing to indicate the Respondent was aware of issues with the foundation or cracks and it would be outside of their expertise. Additionally, there were multiple disclosures that were signed by all parties.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**39. 2024018301**

**Opened: 4/29/2024**

**First Licensed: 5/8/2002**

**Expires: 3/16/2026**

**Type of License: Principal Broker**

**History: 2019 Consent Order for failure to supervise an affiliate due to lapse in affiliate's E&O insurance; 2021 Consent Order for failure to supervise an affiliate due to lapse in affiliate's E&O insurance; 2023 Consent Order for failure to supervise an affiliate due to lapse in affiliate's E&O insurance**

Complaint number **REC-2024018301 (#39)** and **REC-2024018331 (#40)** are related and contain identical allegations.

This complaint was referred from a different agency. The Complainant was the Buyer's lender in a real estate transaction. The complaint alleges that an Affiliate with the Respondent's firm (Affiliate). The Respondent is a Principal Broker. Complainant alleges the Affiliate, who was the listing agent in a real estate transaction, acted unprofessionally when they received a counter saying the "buyer agrees to find new lender."

The Respondent did not submit a response.

Although it's unclear why the counter included the request that the Buyer find a new lender, Counsel is unable to find a violation that occurred. Additionally, the Respondent does not appear to be involved in the transaction. However, the Respondent failed to respond to the complaint within ten (10) days, in violation of Tenn. Code Ann. § 62-13-313(2).

Counsel recommends that this Respondent be assessed a civil penalty of One Thousand Dollars (\$1,000.00) for failing to respond to the complaint within ten (10) days.

**Recommendation: Assess a Civil Penalty of One Thousand Dollars (\$1,000.00) for a violation of Tenn. Code Ann. § 62-13-313(2).**

**Commission Decision: The Commission accepted counsel's recommendation.**

**40. 2024018331**

**Opened: 4/29/2024**

**First Licensed: 6/7/2023**

**Expires: 6/6/2025**

**Type of License: Affiliate Broker**

**History: None**

Complaint number **REC-2024018301 (#39)** and **REC-2024018331 (#40)** are related and contain identical allegations.

This complaint was referred from a different agency. The Complainant was the Buyer's lender in a real estate transaction. The Respondent is an Affiliate Broker. Complainant alleges the Respondent was the listing agent in a real estate transaction and acted unprofessionally when they received a counter saying the "buyer agrees to find new lender."



The Respondent did not submit a response.

Although it's unclear why the counter included the request that the Buyer find a new lender, Counsel is unable to find a violation that occurred. However, the Respondent failed to respond to the complaint within ten (10) days, in violation of Tenn. Code Ann. § 62-13-313(2).

Counsel recommends that this Respondent be assessed a civil penalty of One Thousand Dollars (\$1,000.00).

**Recommendation: Assess a Civil Penalty of One Thousand Dollars (\$1,000.00) for a violation of Tenn. Code Ann. § 62-13-313(2).**

**Commission Decision: The Commission accepted counsel's recommendation.**

**41. 2024020311**

**Opened: 4/29/2024**

**First Licensed: 1/4/2018**

**Expires: 1/3/2026**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a Tennessee resident and licensed auctioneer. Respondent is an Affiliate Broker. Complainant alleges Respondent was acting as an auctioneer because they used the term "bid" in the listing.

The Respondent stated that they use a platform that has been established for over five (5) years. The platform uses the term "bid" but it's transparent with the parties about the terms and unlike an auction, allows negotiations, the addition of commission, and the seller has the option of choosing which offers are accepted. They also make it clear that they are not an auctioneer.

Based on the information provided, the Commission does not have authority over this matter. It should be noted that the Complainant took this matter to the Auctioneer Commission, but it was dismissed.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel's recommendation.

**42. 2024021261**

**Opened: 4/29/2024**

**First Licensed: 8/31/2018**

**Expires: 8/30/2024**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a Tennessee resident and prospective Buyer. The Respondent is an Affiliate Broker, listed the property and represented the Seller. The Complainant alleges that the Respondent attempted to extort them by putting a \$650.00 fee for business management and marketing commission in the purchase agreement. They were told that it's in all the contracts from the Respondent's firm. The complaint also alleged that the property agent was also representing them.

The Respondent stated that the Complainant hired them to sell their property (Property 1) and in an unrelated transaction wanted them to be their agent again (Property 2). The Respondent was told that they represented the Seller for Property 2, and the Complainant should get their own agent. The Complainant hired an agent and communications happened between the agents and the offers submitted by the Complainant for Property 2 were rejected.

Based on the information provided, the Complainant is conflating two separate interactions with the Respondent. In the first, the Respondent represented the Complainant as the seller's agent during the sale of Property 1. The \$650.00 fee appears to be attached to this transaction. The second transaction with Property 2, the Respondent was the seller's agent, and the Complainant was a prospective buyer. The Complainant may have initially believed that the Respondent would represent them but it's clear from the offers and counteroffers, that the Respondent represented the seller, and the Complainant hired their own representative. For the fee, there is no indication that the Respondent extorted the Complainant. Any issue with the amount would be a contract dispute, which the Commission does not have authority over.

Therefore, Counsel recommends that this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel's recommendation.

**43. 2024020501**

**Opened: 4/29/2024**

**First Licensed: 5/26/2005**

**Expires: 12/31/2024**

**Type of License: Real Estate Firm**

**History: None**

Complainant is a Tennessee resident and tenant. The Respondent is a Real Estate Firm. The Complainant stated that they have been a tenant for over five (5) years with the Respondent's residential community. The property offers "gifts" to tenant annually which include services such as painting, carpet cleaning, etc. However, they didn't offer any "gifts" this year. The complaint also mentioned that the property reported that they were thirty (30) days late on rent and reported and it affected their credit score, but they were only fourteen (14) days late.

Respondent stated the Complainant did not renew their lease and at when there were roughly two months before the end of the lease, the Complainant requested that all their “gifts” be provided to them. The property manager rejected the request.

Based on the information provided, the Commission does not have authority over this matter as it is an exemption under Tenn. Code Ann. § 62-13-104(a)(1)(E).

Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel’s recommendation.**

**44. 2024020901**

**Opened: 5/6/2024**

**First Licensed: 6/30/2021**

**Expires: 6/29/2025**

**Type of License: Affiliate Broker**

**History: None**

The complaint alleges that they were only supposed to pay \$477.00 in closing costs but ended up paying \$3,499.37 because the lender failed to include Amendment 1 in the documents. The complaint alleges that the Respondent contacted the lender and another individual where they received the amendment.

The Respondent and their Managing Broker (Broker) submitted responses. The Respondent stated there was an appraisal that came back \$7,000 less than the offer price and the difference was supposed to be used as a credit. They stated that the lender was uncooperative and denied receiving the amendment but late mentioned using it to buy down the rate.

The Broker stated that they believe that the Respondent isn't the proper individual as the complaint is against the lender.

After reviewing the information, Counsel believes that the Complainant incorrectly put the contact information for the parties. Based off context, the "Complainant" listed should be the Respondent and the "Respondent" should be listed as a Witness/Involved Party.

Counsel recommends that this matter be dismissed and referred to the proper agency.

**Recommendation: Dismiss and refer complaint to Tennessee Department of Financial Institutions to be opened against the lender.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**45. 2024021391**

**Opened: 5/6/2024**

**First Licensed: 10/12/2017**

**Expires: 10/11/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant is an out of state resident and prospective homebuyer. Respondent is an Affiliate Broker and acted as the Complainant's agent. Complainant alleges Respondent did not properly advise them about an offer and pressured them into signing a buyer's representation agreement and did not disclose all the terms. The complaint stated that they were interested in submitting an offer on a property. They felt as though the Respondent would not submit the offer unless they signed a Buyer's Representation Agreement (Agreement). The Agreement mentioned a 3% commission and the term was for a year when the parties discussed it only being for

90 days. Although they were reluctant, they signed the Agreement. On April 6, 2024, the Respondent submitted the offer and the next day the Complainant was told that offer was not accepted and that the market was competitive. The Complainant believes that the Respondent should have advised them to make a better offer. On April 8<sup>th</sup>, the Complainant asked to terminate the Agreement and the Respondent stated that they would send over the document but then ignored them. On April 11<sup>th</sup>, they received the document from the Respondent's Principal Broker.

Respondent and their Principal Broker (Broker) submitted responses. The Respondent's Broker stated that the parties entered a buyer representation agreement and when they wanted to terminate, their agent sent a mutual release agreement. The Respondent submitted a timeline of events and included text messages.

Counsel reviewed the documents and text messages provided. The Agreement appears to be a standard form and has the term was for a year or at closing, whichever was earlier. The text messages suggest consistent communication between the parties and the Respondent advising that the property was listed under market value. They suggested that the Complainant offer \$390,000 but the Complainant wanted to offer \$380,000 with the assumption that the seller would counter. The next day, the Respondent informed the Complainant that the offer was rejected. The Complainant responded that they would have gone up an additional \$25,000. The Respondent stated that normally the seller's agent would inform parties that they have multiple offers and to have prospective buyers submit their best and final offer by a specific date but that didn't happen and apologized that the Complainant would have a chance to counter.

Here, it appears that the Respondent fulfilled their duty to their client. Additionally, they terminated the Agreement within a reasonable amount of time. Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**46. 2024021431**

**Opened: 5/6/2024**

**First Licensed: 1/6/2015**

**Expires: 1/5/2025**

**Type of License: Principal Broker**

**History: 2021 Consent Order for failure to supervise an affiliate due to lapse in affiliate's E&O insurance**

Complainant is a Tennessee resident and Seller in a prospective real estate transaction. Respondent is a Principal Broker and acted as the Seller's agent. The Complainant alleges Respondent did not disclose that their family member was the listing agent, and they terminated the contract with a prospective buyer without their consent.

The Respondent stated that when they met the Complainant to sign the Exclusive Representation Agreement (Agreement) they disclosed that their family member worked for the title company and told the Complainant that they could use a different title company for the closing if they wanted to. On April 1, 2024, they showed the property, and an offer was made and accepted four days later. The Complainant asked about receiving a picture of the earnest money check and the Respondent told them that once they had it, they would send it. On April 10<sup>th</sup> the earnest money was still not received, and the Complainant contacted them to have the contract terminated. The Complainant also fired the Respondent and demanded that they be released from the Agreement. The Respondent agreed and sent the termination along with the mutual release form the same day. The Respondent provided a timeline of events, copies of documents related to the sale of the property, and screenshots between the parties.

Counsel reviewed the documents provided and the timeline of events matches the Respondent's claims. In short, the Complainant asked that the contract be terminated because the earnest money was not delivered in a timely manner. Additionally, the Respondent stated that they disclosed a familial relationship with an employee at the title company. The Complainant incorrectly stated that the family member was the listing agent, which was not correct. The Respondent does not appear to have a

personal interest or financial gain because a family member worked for the title company.

Counsel finds Complainant's allegations related to violating their duty to the client and failing to disclose a personal interest to be unfounded.

Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**47. 2024021501**

**Opened: 5/6/2024**

**First Licensed: 8/28/1979**

**Expires: 8/4/2016 Expired**

**Type of License: Affiliate Broker**

**History: None**

The Complainant is a Tennessee resident. Respondent is unlicensed but was an Affiliate Broker in 2016. The complaint alleges that the Respondent engaged in misleading advertising when they claimed to be a member of a Realtor Association as an Affiliate Broker on their website. The Complainant included a screenshot of the Respondent's website and the varication website showing the expired license.

The Respondent works for a Homeowner's Association (HOA) and stated that they don't need to be licensed as an association management company.



Counsel confirmed that the Respondent's license has been expired since August 4, 2016. Counsel attempted to review the Respondent's website and it appears that the Respondent removed the line regarding the association membership. However, in the screenshot provided, it clearly shows that the Respondent advertised as an Affiliate Broker.

Therefore, Counsel recommends this Respondent be assessed a civil penalty of One Thousand Dollars (\$1,000.00) for unlicensed activity when they advertised as a realtor association member and Associate Broker, in violation of Tenn. Code Ann. § 62-13-301.

**Recommendation: Assess a Civil Penalty of One Thousand Dollars (\$1,000.00) for unlicensed activity (advertising as a Realtor Association Member and Associate Broker), in violation of Tenn. Code Ann. § 62-13-301.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**48. 2024021871**

**Opened: 5/6/2024**

**First Licensed: 2/18/2021**

**Expires: 2/17/2025**

**Type of License: Affiliate Broker**

**History: None**

The Complainant was a prospective buyer in a real estate transaction. Respondent is an Affiliate Broker and represented the Seller. The Complainant intended to move from a different state to Tennessee. The Seller accepted their offer but prior to closing, they had issues with the VA providing funding. They requested an extension, but the money still wasn't there, so they requested another extension. The request was denied. As a result, they believe that their earnest money was stolen and they accumulated fees for storage, registration, and other fees. The Complainant alleges the Respondent violated multiple articles of the Code of Ethics for failing to communicate and causing them to lose their earnest money along with multiple fees in preparation of the move. They also mentioned that the property was not located where they wanted.

On September 26, 2023, the Respondent stated that after the contract was accepted that the Complainant's agent told the Listing Agent that the Certificate of Eligibility for the VA loan had not be obtained. On the same day, the Complainant requested an extension. The extension was granted to October 18, 2023, with an appraisal to be ordered in fourteen (14) days of the initial extension. The appraisal was scheduled for October 4, 2023. On October 14, 2023, the mortgage company told the Respondent that their client could close. However, an hour later they were told that the certification was not received. The Complainant requested another extension. The Seller advised the Respondent that they would agree to an extension if the Complainant agreed to an additional \$5,000 in nonrefundable earnest money. The Complainant verbally accepted, and the agent was supposed to send the paperwork. On October 18, 2023, the Complainant didn't want to pay additional money and requested seven (7) more days. The Seller did not agree to extend a second time and the earnest money was forfeited as per the Agreement.

Counsel finds Complainant's allegations related the Respondent's failure to remit earnest money to be unfounded. The Purchase and Sale Agreement was signed on August 25, 2023. The Seller agreed to an extension and was within their rights to terminate the contract and keep the earnest money. Based off the Complainants summary of facts, it does not appear that they would have been prepared to close until November 2023.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel's recommendation.

**49. 2024020921**

**Opened: 5/6/2024**

**First Licensed: 3/21/1986**

**Expires: 11/11/2024**

**Type of License: Real Estate Firm**

### **History: None**

Complainant is a Tennessee resident and Buyer in a real estate transaction. Respondent is a Real Estate Firm. On April 2, 2023, the Complainant closed and three days later, they moved in and noticed multiple issues. This included plumbing issues, blocked drains in the shower, and toilets not flushing. On April 8, 2024, they contacted a septic and plumbing company where they advised that the entire plumbing system needed to be redone. Additionally, there was an agreement that the Seller would have a licensed contractor to insert a support beam. Complainant alleges that an Affiliate at the Respondent's firm didn't make repairs to the property, as per the agreement and should be responsible for the costs they accrued.

The Affiliate and their Principal Broker (Broker) provided responses. The Broker stated that they believe their Affiliate complied with their duties and are not Respondent does not believe that any Commission rules or regulations have been violated.

The Affiliate stated that represented the Seller. The Complainant had an inspection and requested repairs to be completed via a Repair Proposal that was signed by all parties. The Repair Proposal stipulated that the repairs be completed by a licensed contractor and have a joist installed to level the floors. The Complainant conducted a final walkthrough with their agent and asked if the joist was replaced with pressure treated lumber. There was no specification that the lumber be pressure treated but Respondent sent pictures so that the Complainant could determine if it was or not. They did convey to the Complainant, through their agent, that the work complied with the terms since it was done by a licensed contractor. The Complainant didn't make any additional objections and they closed on April 2, 2024.

Based on the information provided, the Affiliate performed their duties and to their knowledge, all repairs were made as stated in the contract. Counsel finds that the issues with the plumbing and septic system are outside the scope of the Affiliate's expertise. If the home inspection report lacked information regarding these areas, it would be an issue with the inspector. However, no information was provided as to who did the inspection/

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel's recommendation.

**50. 2024024161**

**Opened: 5/6/2024**

**First Licensed: 1/1/1991**

**Expires: 2/27/2025**

**Type of License: Real Estate Firm**

**History: None**

This complaint was opened by the Executive Director against the Respondent for having an Affiliate on the roster who is unlicensed. During a routine audit, the Respondent's firm was selected. The audit found that there was an affiliate with the Respondent's firm did not have a valid license.

The firm's Principal Broker submitted a response stating that the Affiliate is looking to be reinstated. During the expiration, the Affiliate was only involved in one transaction, but it was for the sale of personal property.

Under Tenn. Code Ann. §62-13-302(a) It is unlawful for any licensed broker to employ or compensate any person who is not a licensed broker or a licensed affiliate broker for performing any of the acts regulated by this chapter.

Here, there is not enough to suggest that the Respondent has engaged in any transactions other than the one mentioned in the response. However, the in the sale of their personal property the following language appears, "This form is copyrighted and may only be used in real estate transaction in which [Agent Name] is involved as a [redacted] Realtors® authorized user." The Affiliate's name appears on the bottom of each document. A reasonable person could believe that Affiliate was claiming to be "involved as an authorized user."

Counsel would like to present this matter for discussion to determine if a violation occurred or not. If the Commission finds that the Affiliate is in violation, it is recommended that this Respondent be assessed a civil penalty of One Thousand Dollars (\$1,000.00) for employing an unlicensed affiliate, in violation of Tenn. Code Ann. § 62-13-302(a) and open an administrative complaint against the Affiliate for engaging in unlicensed activity.

If no violation is found, Counsel would recommend a Letter of Warning be sent to the Respondent to ensure that the Affiliate doesn't perform any unlicensed activity.

**Recommendation: Discuss.**

**Commission Decision:** The Commission voted to authorize a formal hearing and issue a Consent Order with a One Thousand Dollar (\$1,000.00) civil penalty for violation of Tenn. Code Ann. § 62-13-302(a), employing an unlicensed affiliate, and administratively open a complaint against the affiliate for unlicensed activity.

**51. 2024019821**

**Opened: 5/13/2024**

**First Licensed: 12/15/2004**

**Expires: 2/24/2026**

**Type of License: Affiliate Broker**

**History: None**

Complainant is an out of state resident. Respondent is an Affiliate Broker. The Complainant listed a property in Tennessee and out of state. While the Complainant was showing their out of state property to potential buyers, the Respondent informed them of previous flood damage and advised them not to purchase the property. This caused the Complainant to have a difficult time selling the property and was forced to take a lower offer based off the Respondent's remarks. The Respondent is the president of the Homeowner's Association (HOA) for the out of state property. The

Complainant alleges that the Respondent improperly used their credentials to receive personal gain. They attached a transcript they typed of the text messages between the parties and the letter they received from the HOA.

The Respondent's Principal Broker stated that no violation occurred because they didn't say anything disparaging about the property and they only acted in their capacity as the HOA president.

Based on the information provided, the complaint only references the out of state property. The Commission doesn't have authority over this matter as it's not in their jurisdiction because it is an out of state sale and it deals with HOAs.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**52. 2024021281**

**Opened: 5/13/2024**

**First Licensed: 5/26/2022**

**Expires: 5/25/2026**

**Type of License: Principal Broker**

**History: None**

An anonymous complaint was submitted that alleges that the Respondent violated advertising and disclosure rules and/or statutes. The Respondent violated the advertising rules by not having a sign outside their home, which is listed as the Respondent's place of business. The complaint also alleges that the Respondent did not disclose their personal interest in the property. The Respondent works from their

home, which is also the property listed for sale. However, the listing did not mention that the Respondent was the Owner/Seller. The Complainant attached a screenshot of the listing and a picture of the sign.

The Respondent stated that they were confused about the complaint because they disclosed that they were the owner and agent. The Respondent attached a copy of the listing.

Counsel reviewed the documents provided. The sign appeared to follow the Commission rules and regulations. The screenshot appears to have the same language as the listing that the Respondent provided but it was cut off. The Respondent did put the disclosure in the private comments section. Counsel did look for the property, and the disclosure is not in the public description. As of the submission of this legal report, the property is under contract.

It is unknown what disclosures were made during the negotiations but if the Buyer is represented it is likely that their agent was aware of the disclosure. Additionally, the Respondent would be required to provide a written disclosure that's signed by all parties. Currently, there is no evidence to suggest that a disclosure didn't occur/

Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission voted to accept counsel's recommendation.**

**53. 2024021741**

**Opened: 5/13/2024**

**First Licensed: 10/16/2020**

**Expires: 11/6/2025**

**Type of License: Principal Broker**

**History: None**

Complainant is an out of state resident. The Respondent is a Principal Broker. On April 12, 2024, the Complainant made an offer, through their agent, for property listed by the Respondent. The Respondent stated that they would bring the offer to the Seller. The Seller was a corporation with multiple members, one of whom was related to the Respondent. The complaint stated that after the offer was made, they didn't hear back from the Respondent then was told that their offer wasn't accepted. The Complainant alleges Respondent was dishonest about receiving information from the Seller and failed to disclose a personal interest.

The Respondent denied all the allegations. The Respondent stated that they did disclose the relationship with one of the members of the corporation. A Personal Interest Disclosure was sent to the Complainant and signed. The corporation consists of multiple members and the Respondent had to get approval from all of them, not just the person they're related to. Additionally, the members were in different areas, spanning over four (4) separate time zones. The Respondent also stated that after the offer was rejected because they were entertaining several offers and the Complainant, via their agent, didn't submit an amended offer before the deadline provided.

The Respondent submitted multiple documents including the disclosure form and texts between themselves and the Complainant's agent.

Based on the information provided, Counsel finds Complainant's allegations related to the Respondent failing to disclose a personal interest to be unfounded. It's clear



from the text messages and the disclosure form that the Complainant knew of the personal relationship that an individual, organization, or business entity in the which the Respondent has a personal interest, was the Seller of the property. Furthermore, Counsel finds Complainant's allegations related to the Respondent's failure to communicate regarding the offer to be unfounded. The Respondent was in communication with the Complainant's agent and was informed that the offer was rejected via text and followed up via email. The text message also shows that the Complainant's agent was aware of the deadline.

Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**54. 2024022721**  
**Opened: 5/13/2024**  
**First Licensed: 11/24/2020**  
**Expires: 11/23/2024**  
**Type of License: Affiliate Broker**  
**History: None**

Complaint number **REC-2024022721 (#54)**, **REC-2024022901 (#55)**, and **REC-2024023051 (#56)** are all related and contain identical allegations.

The Complainant alleges that the Respondent engaged in unprofessional behavior by slandering other agents, fixing prices, and using a different last name on their social media page versus listing website. The social media post reads as follows:

“Let’s be honest- most realtors are pretty mid. Definitely not all, but absolutely most. They are all going to do professional listing pictures, advertise the property, write some generic “OMG HAVE YOU SEEN THIS HOUSE?!” post, hold an open house or two, and when a contract comes in- do some light negotiation, and then you pay them 6%.

That’s insane. Being a realtor is easy; it is a high stakes game for the consumer and a high reward game for the agent.

I’ll do all of that, stage your property, you’ll have access to my brokerage’s renovation fund, and I’ll only charge you 2% total. That’s not just 2% for me, and then another 2 for the other agent. I mean 2% total. So even if I’m mid, you’re getting more & it’s costing you 4% less.”

The Respondent’s Principal Broker (Broker) and Respondent submitted a response. The Broker stated that the Respondent recently transferred to their firm and made the post as a “bold move to get some business” and jumpstart their career. When they became aware of the post, they told the Respondent to remove it. Additionally, the Respondent has been advised on professionalism and is taking courses in advertising. For the name, they were unaware that the Respondent’s name changed on social media because they recently got married. They advised the Respondent that their name had on social media and their license had to match and it couldn’t be changed until the license reflected the name change. The Broker stated that social media had limitations on when on how often a person can change their name and the Respondent had to wait 45 days, but the Respondent is now in compliance.

The Respondent stated that they made the post with the intention of creating a conversation and to market themselves. Shortly after they made the post, their Broker texted them that it needed to be taken down. The Respondent apologized and

stated that they have spoken with their Broker and understand that they should not discuss commission. They also participated in an advertising class.

Based on the information provided, there was nothing in the complaint or attachments to suggest the Respondent engaged in price fixing. Additionally, the Respondent did not use any agent's name and spoke generally. This may be better suited for a local real estate association to address professionalism claims. Counsel does find that an advertising violation occurred. The screenshot captured the Respondent's name from a social media page where they were advertising as a realtor. The Respondent and their Broker admitted the last name was different from the license in violation of Tenn. Comp. R. & Regs. 1260-02-.12(3)(c). Therefore,

Counsel recommends this Respondent be assessed a civil penalty of Five Hundred Dollars (\$500.00) for failing to use the same name on their advertisement as they have on their license and open an administrative complaint against the Principal Broker for failure to adequately supervise.

**Recommendation: Assess a Civil Penalty of Five Hundred Dollars (\$500.00) for a violation of Tenn. Comp. R. & Regs. 1260-02-.12(3)(c) and open an administrative complaint against the Principal Broker for failure to adequately supervise.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**55. 2024022901**

**Opened: 5/13/2024**

**First Licensed: 11/24/2020**

**Expires: 11/23/2024**

**Type of License: Affiliate Broker**

**History: None**

Complaint number **REC-2024022721 (#54)**, **REC-2024022901 (#55)**, and **REC-2024023051 (#56)** are all related and contain identical allegations.

The Complainant is anonymous. The Complainant alleges that the Respondent engaged in unprofessional behavior by slandering other agents, fixing prices, and using a different last name on their social media page versus listing website. The social media post is the same as related case (Complaint # 2024022721).

The Respondent's Principal Broker (Broker) and Respondent submitted a response. The Broker stated that the Respondent recently transferred to their firm and made the post as a "bold move to get some business" and jumpstart their career. When they became aware of the post, they told the Respondent to remove it. Additionally, the Respondent has been advised on professionalism and is taking courses in advertising. For the name, they were unaware that the Respondent's name changed on social media because they recently got married. They advised the Respondent that their name had on social media and their license had to match and it couldn't be changed until the license reflected the name change. The Broker stated that social media had limitations on when on how often a person can change their name and the Respondent had to wait 45 days, but the Respondent is now in compliance.

The Respondent stated that they made the post with the intention of creating a conversation and to market themselves. Shortly after they made the post, their Broker texted them that it needed to be taken down. The Respondent apologized and stated that they have spoken with their Broker and understand that they should not discuss commission. They also participated in an advertising class.

Based on the information provided, there was nothing in the complaint or attachments to suggest the Respondent engaged in price fixing. Additionally, the Respondent did not use any agent's name and spoke generally. This may be better suited for a local real estate association to address professionalism claims. Counsel does find that an advertising violation occurred. The screenshot captured the Respondent's name from a social media page where they were advertising as a realtor. The Respondent and their Broker admitted the last name was different from the license in violation of Tenn. Comp. R. & Regs. 1260-02-.12(3)(c).

Since this complaint contains identical allegations as the related cases, Counsel recommends that this matter be dismissed to avoid duplicate civil penalties for the same violation.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel's recommendation.

**56. 2024023051**

**Opened: 5/13/2024**

**First Licensed: 11/24/2020**

**Expires: 11/23/2024**

**Type of License: Affiliate Broker**

**History: None**

Complaint number **REC-2024022721 (#54)**, **REC-2024022901 (#55)**, and **REC-2024023051 (#56)** are all related and contain identical allegations.

The Complainant alleges that the Respondent engaged in unprofessional behavior by slandering other agents, fixing prices, and using a different last name on their social media page versus listing website. The social media post is the same as related case (Complaint # 2024022721).

The Respondent's Principal Broker (Broker) and Respondent submitted a response. The Broker stated that the Respondent recently transferred to their firm and made the post as a "bold move to get some business" and jumpstart their career. When they became aware of the post, they told the Respondent to remove it. Additionally, the Respondent has been advised on professionalism and is taking courses in advertising. For the name, they were unaware that the Respondent's name changed on social media because they recently got married. They advised the Respondent that their name had on social media and their license had to match and it couldn't be changed until the license reflected the name change. The Broker stated that social media had limitations on when on how often a person can change their name and the Respondent had to wait 45 days, but the Respondent is now in compliance.

The Respondent stated that they made the post with the intention of creating a conversation and to market themselves. Shortly after they made the post, their Broker texted them that it needed to be taken down. The Respondent apologized and stated that they have spoken with their Broker and understand that they should not discuss commission. They also participated in an advertising class.

Based on the information provided, there was nothing in the complaint or attachments to suggest the Respondent engaged in price fixing. Additionally, the Respondent did not use any agent's name and spoke generally. This may be better suited for a local real estate association to address professionalism claims. Counsel does find that an advertising violation occurred. The screenshot captured the Respondent's name from a social media page where they were advertising as a realtor. The Respondent and their Broker admitted the last name was different from the license in violation of Tenn. Comp. R. & Regs. 1260-02-.12(3)(c).

Since this complaint contains identical allegations as the related cases, Counsel recommends that this matter be dismissed to avoid duplicate civil penalties for the same violation.

**Recommendation: Dismiss.**

**Commission Decision:** The Commission accepted counsel's recommendation.

**57. 2024023701**

**Opened: 5/13/2024**

**First Licensed: 4/20/2022**

**Expires: 4/19/2026**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a Tennessee resident. Respondent is an Affiliate Broker. The Complainant was the Seller in a real estate transaction. The Respondent represented the Buyer. The parties closed on the property on April 17, 2024. On April 15, 2024,

the Buyers attempted to access the property to clean. The Complainant's agent was there removing the furniture from staging and told the Buyers they were prohibited from entering the property. The walkthrough was scheduled the next day, and the Seller found the Buyers there alone. When the Buyers left, they entered the code and placed the key in the lockbox. The Complainant alleges Respondent provided access to the home without their consent.

The Respondent stated that when they spoke with the Buyer, they believed that they wanted access to the property on April 16<sup>th</sup> to do minor cleaning (i.e. moping, wiping countertops, sweep, disinfect, etc.). When they received the call from the Complainant's agent, they apologized for the confusion and confirmed that they would be with them the next day. During the walkthrough, the Sellers noticed some damage and it took longer to wrap things up. The Respondent had another showing and let their client know that they had to leave. They asked the Buyer to lock up and secure the property before leaving. Five minutes later, the Respondent received a call stating that the Complainant was upset that the Buyer was at the property without the Respondent. The parties closed on April 17, 2024.

The complaint did not allege that the Respondent or the Buyer caused any damage or had access to any of the Complainant's personal information. Previously, permission was granted to store refrigerated items. The Complainant just seemed annoyed at the situation. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission voted to issue a Letter of Warning for violation of Tenn. Code Ann. § 62-13-403(1), failure to exercise reasonable skill and care.**

**58. 2024024321**

**Opened: 5/13/2024**

**First Licensed: 7/8/202**

**Expires: 7/7/2024 (Expired- Grace)**

**Type of License: Affiliate Broker**

**History: None**

The Complainant was a prospective Buyer. The Respondent was an Affiliate Broker (currently their license's status is expired grace) and represented the Seller. The Complainant stated that they made a verbal offer, and they were told that the Seller accepted. However, the property wasn't sold to them. The Complainant alleges Respondent failed to follow through after their offer was accepted.

The Respondent provided a timeline of the events. The Respondent stated that they received a call from the Complainant stating that they would like to make a verbal offer but didn't disclose they had representation. About an hour later, they received a call from the Complainant's agent saying that they represent the Complainant. They notified the Seller that there was a verbal offer. The property was shown to other potential buyers. Later that night, the Seller advised the Respondent that they wanted to go with the "highest and best offer." They sent a multiple offer disclosure and notification to the Complainant's agent and provided the deadline, and the offer was rejected.

The complaint had screenshots of text messages, but it was unclear who the sender and recipient were. The Respondent also attached several documents including the Purchase and Sale Agreement where the offer that was rejected.

Based on the information provided, the only communication regarding the offer and acceptance was made verbally, and not binding. The Respondent complied with the Commission's rules and regulations and fulfilled their duty to their client.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**



**59. 2024017831**

**Opened: 5/20/2024**

**First Licensed: 6/26/2007**

**Expires: 6/25/2025**

**Type of License: Affiliate Broker**

**History: None**

The Complainant is a Tennessee resident and appraiser. The Respondent is an Affiliate Broker, represented the Seller, and was the listing agent. Complainant alleges Respondent wrote defamatory remarks about them, attempted to circumvent the appraisal process, and attempted to interfere with compliance with the VA loan. The complaint didn't specify how the Respondent attempted to interfere with the lender's appraisal.

The Respondent stated that the Complainant was hired to perform an appraisal. During the appraisal, they told the Seller that the property wasn't in compliance for the VA loan. The Seller was told that based off the measurements, a vent would need to be installed in the crawl space. The Seller stated that there were no areas to install a vent and had previously purchased the home with a VA loan and there was no mention of crawl space vents. The Seller and Complainant got into an argument and after the Complainant left, the Respondent was called and told what transpired. The Respondent was the Seller's agent when they initially purchased the property in question.

In the counter offer it was written in the stipulations that "due to past unethical experiences and behavior, [Complainant] will not be permitted on the property." The Respondent stated that they didn't attempt to interfere with or circumvent VA loan protocols, they just didn't want the Complainant involved due to the interaction the Seller had with them. However, the Complainant was permitted to do the appraisal and the transaction closed.

Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**60. 2024021971**

**Opened: 5/20/2024**

**Unlicensed**

**History: None**

Complainant is a Tennessee resident. Respondent is unlicensed. The complaint alleges that the Respondent is the property manager for a residential community but is not licensed. The Respondent performs duties such as accepting rent payment, showing properties to prospective buyers, and contracting leases.

The Respondent's Attorney (Attorney) submitted a response on their behalf. The Respondent asserts that they meet the exemption under Tenn. Code Ann. § 62-13-104(a)(1)(E) because their responsibilities include serving as a resident manager, supervision, and exhibition of the units, collecting security deposits and rent. They also claim that they are an employee of the homeowner's association (HOA).

The Respondent asserts conflict arguments. Here, the Respondent is described as the property manager on the community's website. There is no distinction or mention of HOA management. Additionally, a license could not be found for the community the Respondent manages. Since the Respondent is not licensed, doesn't work for a licensed firm, and doesn't own any properties the Respondent does not fall under the exemption. Counsel finds that the Respondent engaged in unlicensed activity.

Based upon all these facts, Counsel recommends this matter be assessed a civil penalty of One Thousand Dollars (\$1,000.00) for engaging in unlicensed activity, in violation of Tenn. Code Ann. § 62-13-301 and open an administrative complaint against the company for advertising as a property management company without a valid license.

**Recommendation: Assess a Civil Penalty of One Thousand Dollars (\$1,000.00) for engaging in unlicensed activity, in violation of Tenn. Code Ann. § 62-13-301 and Open an Administrative Complaint against the Company for Unlicensed Activity**

**Commission Decision: The Commission accepted counsel's recommendation.**

**61. 2024024921**

**Opened: 5/20/2024**

**First Licensed: 1/27/2017**

**Expires: 5/11/2025**

**Type of License: Principal Broker**

**History: None**

Complainant is a licensed real estate professional. Respondent is a Principal Broker. The Complainant was an agent with the Respondent's firm, after a disagreement regarding a commission split, the Complainant transferred to a different firm. The complaint alleges that the Respondent has not adhered to the commission split they agreed.

The Respondent stated that this matter is outside of the Commission's scope since it's a dispute over commissions. However, the Respondent asserts that Complainant's commission was processed in accordance with the independent contractor agreement signed and they are complying.

Under Tenn Comp. R. & Regs 1260-02-.02(8), the Commission will not intervene in the settlement of debts, loans, draws, or commission disputes between firms, brokers and/or affiliates. Therefore, the Commission doesn't have authority over this matter. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**62. 2024025661**

**Opened: 5/20/2024**

**First Licensed: 1/11/2019**

**Expires: 11/13/2025**

**Type of License: Principal Broker**

**History: None**

Complainant is an out of state resident. Respondent is a Principal Broker. The Complainant alleges that the Respondent started harassing them after they cleaned a house that was sold by the Respondent.

Respondent stated they don't know the Complainant is or any of the individuals mentioned in the complaint.

The Complainant attached several screenshots and stated they were from the Respondent. The text messages have the same number that the Respondent provided in their response, mention that they were a Principal Broker, among other things, and included the same first name as the Respondent. The Complainant mentions their first and last name and the response suggests that is their name. Counsel looked in CORE and did not find another licensee with the same name. It is believed that the Respondent is correct and sent the messages.

The Respondent claims that they are “general counsel for [redacted].” They also mention a law firm that they claim belongs to them and pressing charges for theft. The messages seem to occur in one day, but the communications clearly show that the Respondent attempted present themselves as an attorney, in violation of Tenn. Code Ann. § 62-13-312 (b)(19). It is also concerning that the Respondent was not honest in their response. The Respondent denied knowing the Complainant, claimed to be general counsel, a paralegal, and the owner of multiple businesses. Counsel searched for the law firm, but the website was not operable and searched the paralegal database and no results were found.

Counsel recommends this matter be discussed. A redacted copy of the text messages will be included.

**Recommendation: Discuss.**

**Commission Decision: The Commission voted to authorize a formal hearing and issue a Consent Order with a civil penalty of Five Hundred Dollars (\$500.00) for violation of § 62-13-312(b)(19) for the Unauthorized Practice of Law.**

**63. 2024025931**

**Opened: 5/20/2024**

**First Licensed: 4/30/2014**

**Expires: 3/4/2025**

**Type of License: Real Estate Broker**

**History: None**

Complainant is a Tennessee resident. Respondent is a Principal Broker. The Complainant alleges that the Respondent's assistant hired them to take photographs of a property they listed. The Respondent didn't pay the invoice. The Complainant claims that the Respondent engaged in copyright infringement.

Respondent stated that after receiving the invoice, they disputed the charge in good faith because it was not as advertised. They stated that they hired another photographer and didn't use the Complainant's photographs.

The Complainant attached a copy of a listing with the photograph they took and invoices. The listing did not have any of the Respondent's information on it and appeared to be a draft. The property is off the market so it couldn't be determined whose pictures were used. However, Counsel doesn't believe that the Commission has authority over this matter. At its core, it appears to be a contract issue and the use of the photographs would be a matter for a local association, if the Respondent is a member.

Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**64. 2024018881**

**Opened: 5/28/2024**

**First Licensed: 9/24/2020**

**Expires: 9/23/2024**

**Type of License: Affiliate Broker**

**History: None**

The Complainant is a Tennessee resident. Respondent is an Affiliate Broker. The complaint alleges that they observed an advertisement that didn't identify the brokerage.

The TREC Executive Director sent the Respondent an Agreed Citation for the advertising violations. On May 31, 2024, the Respondent paid Five Hundred Dollars (\$500.00). Based on the information provided, Counsel recommends that this matter be dismissed because it has already been resolved via the agreed citation.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**65. 2024020391**

**Opened: 5/28/2024**

**First Licensed: 11/8/2023**

**Expires: 11/7/2025**

**Type of License: Affiliate Broker**

**History: None**

The Complainant alleges that the Respondent violated Tenn. Comp. Rules and Regs.1260-02-.12(6)(b) by failing to include the firm name and firm telephone number listed on file with the Commission on their social media post.

The TREC Executive Director authorized an Agreed Citation be issued with a Five Hundred Dollar (\$500.00). The Respondent didn't pay or sign the agreement.

Counsel attempted to find the advertisement but was unable to locate it. Counsel did find that the property was sold. The screenshots included in the complaint cut off parts of the post so it could not be determined if the Respondent complied with the advertising rules. Therefore, Counsel recommends that the advertising violation be dismissed.

However, the file doesn't show that the Respondent submitted a response to the complaint, in violation of Tenn. Code Ann § 62-13-313(2). Counsel recommends that this Respondent be assessed a civil penalty of One Thousand Dollars (\$1,000.00).

**Recommendation: Assess a Civil Penalty of One Thousand Dollars (\$1,000.00) for a violation of Tenn. Code Ann § 62-13-313(2).**

**Commission Decision: The Commission accepted counsel's recommendation.**

**66. 2024021301**

**Opened: 5/28/2024**

**First Licensed: 2/5/2018**

**Expires: 2/4/2026**

**Type of License: Affiliate Broker**

**History: None**

Complainant is anonymous. Respondent is an Affiliate Broker. The complaint stated that they got a divorce and as part of the agreement, the property was to be sold by a realtor that was agreed upon by both parties. The Complainant was a co-owner and did not agree to have the Respondent sell the property. Complainant alleges Respondent fraudulently entered an agreement to sell property without their consent.



Respondent's Attorney (Attorney) submitted a response on their behalf. The Respondent stated that their client told them that they were the sole owner. The client stated that a quitclaim deed was signed, and the property was transferred to the client. The client assured the Respondent that they could provide a copy of the deed and was working with their attorney to provide it. However, the quitclaim deed was never provided. The Respondent acted in good faith and drafted documents based off their client's assertions.

Tenn. Code Ann. § 62-13-406(c) states that "there shall be no imputation of knowledge or information among or between clients, the managing broker and any designated agent or agents in a designated agency situation."

Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**67. 2024026921**

**Opened: 5/28/2024**

**First Licensed: 8/21/2023**

**Expires: 8/20/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a licensed real estate professional. Respondent is an Affiliate Broker. The complaint alleges that they were acting as the Buyer's agent. The Buyers told the Complainant that their property was under contract, and they weren't represented

in that transaction. During their representation, the Respondent listed their client's property without the Buyer's consent.

The Respondent denied the allegations and stated that the Complainant's client was aware that they listed the property, and the parties signed a representation agreement for the sale of the property. The Respondent stated after setting up a time to take pictures for the listing and discussing potential showings, they offered to help with next steps for finding a replacement property. The Respondent believes the client may have already been in contact with the Complainant at that time.

Based on the information provided, the Complainant and Respondent represented the same client at different times. The Complainant worked with them to purchase a new property while the Respondent was working to sell their old one. It appears that the client either misunderstood that they had an agent or chose not to disclose their relationship to the Respondent. The representation agreement was signed by all parties around April 2024.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**68. 2024021541**

**Opened: 5/28/2024**

**Unlicensed**

**History: None**

Complainant is anonymous. Respondent is unlicensed. Complainant alleges Respondent is engaged in unlicensed activity by advertising as a property management company without the proper credentials. Respondent did not provide a response.

Counsel reviewed the Complainant's website, and they advertise as "one of the largest rental businesses serving [redacted]. For over 45 years, we have provided rental housing for families and college students."

Respondent is not licensed, doesn't work for a licensed firm, and doesn't own any properties the Respondent does not fall under the exemption. Counsel finds that the Respondent engaged in unlicensed activity.

Based upon all these facts, Counsel recommends this matter be assessed a civil penalty of One Thousand Dollars (\$1,000.00) for engaging in unlicensed activity, in violation of Tenn. Code Ann. § 62-13-301.

**Recommendation: Assess a Civil Penalty of One Thousand Dollars (\$1,000.00) for unlicensed activity in violation of Tenn. Code Ann. § 62-13-301.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**69. 2024023691**

**Opened: 5/28/2024**

**First Licensed: 9/12/2016**

**Expires: 6/1/2025**

**Type of License: Real Estate Firm**

**History: 2024 Consent Order for Unlicensed Activity**

The Complainant is an out of state resident. Respondent is a Real Estate Firm. The Complainant alleges that the Respondent is acting as a property manager and they failed to provide adequate reports, rental income, or any requested documents.

The response stated that all funds were distributed properly. The Respondent also attached multiple documents including tax returns, management agreements, and monthly reports.

Here, the Respondent meets the exemption under Tenn. Code Ann. § 62-13-104(a)(1)(E) because they are a licensed real estate firm engaged in property management. The Commission doesn't have authority over this matter.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**70. 2024026401**

**Opened: 5/28/2024**

**First Licensed: 10/22/2020**

**Expires: 10/21/2024**

**Type of License: Real Estate Firm**

**History:**

The Complainant is a Tennessee resident. Respondent is a Real Estate Firm. The complaint contained two allegations. The first was that the Respondent posted deceptive photographs to make it look like the property was larger than it is. The Complainant is a neighbor and believes the photographs would lead someone to believe that the property is level, and it also included their backyard, so a potential

buyer may believe they're getting more land. The second was that the agent who took photographs of the property was very rude. On April 8, 2024, an agent came to the property and began taking pictures of the exterior then switched to a drone. The Complainant's wife came outside, and the Agent gestured for her to move. The Complainant's wife ignored the Agent and the Agent got agitated. The Complainant stated that they began cursing at the Agent and the Agent stated that they would tell the homeowner about their behavior. The complaint didn't describe any specific behaviors but characterized the behavior as "that of a beta boy posing as an alpha male."

The Respondent stated the Complainant's property is located on the adjoining lot, and with the back of the property facing their client's. They stated that if the Complainant's property was included in the photographs, it was unintentional and there was no attempt to misrepresent the boundary lines. The Respondent denies that that pictures were deceptive. The Respondent also stated that when the Agent began using the drone to take additional pictures, the Complainant and their wife started using abusive language, prompting the Agent to leave and inform the listing agent of the incident.

The complaint had a copy of the listing and pictures attached. The photographs focus primarily on the listed property. There are two other properties that are partially captured. However, it is unclear which belongs to the Complainant. Neither house is the focus of the photographs, and it appears that while trying to capture the boundary lines, a portion of the nearby homes were included.

Counsel finds Complainant's allegations related the Respondent using deceptive photographs in the listing and allegations of unprofessional behavior to be unfounded. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

**Commission Decision: The Commission accepted counsel's recommendation.**

## **TIMESHARES:**

**71. 2024020891**

**Opened: 5/13/2024**

**First Licensed: 8/11/2021**

**Expires: 8/10/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant is an out of state resident. Respondent is an Affiliate Broker. The Complainant alleges Respondent made false claims to make the sale. Additionally, each of the resorts were dirty and had to attend additional meetings each time they wanted to book a trip. They have owned the time share for four years and they no longer believe the terms were that they originally agreed to and would like to terminate the contract.

Respondent and their Principal Broker submitted response. Both stated that they believe that they are not the proper Respondent because the issue appears to involve a timeshare and the Respondent has never engaged with time shares nor met the Complainant.

Counsel reviewed the information for the Respondent, and they don't appear to be the correct Respondent. Another individual with the same name is connected to a timeshare firm and is likely the proper Respondent.

Counsel recommends that this matter be dismissed and open an administrative against the proper Respondent.

**Recommendation: Dismiss and Open an Administrative Complaint Against the Proper Respondent.**

**Commission Decision: The Commission accepted counsel's recommendation.**

**Anna D. Matlock:**

**CASES TO BE REPRESENTED**

**72. 2022027521**

**Opened: 8/1/2022**

**First Licensed: 5/12/1995**

**Expires: 9/22/2025**

**Type of License: Affiliate Broker**

**History: None**

The Complainants are the buyer. The Respondent is the Complainants' agent. The Complainants say they put an offer on a house in East TN utilizing the Respondent as an agent. The Complainants still owned a house in West TN and were attempting to sell that property without an agent. The Complainants price range was \$550K-\$700K.

After the Complainants were turned down on a number of properties over the course of a couple of months, they finally had an offer accepted. The purchase/sale agreement only contained the contingency that the buyers would be able to obtain a loan up to "70%" of the purchase price. The sale price of the subject home in East TN was \$615,000 with \$10,000 as earnest money. The Complainants say they were intent on using the funds from the sale of the West TN home to fund the purchase of the home in East TN. Ultimately, the sale of the West TN home fell through. Consequently, they could not obtain sufficient financing without the sale of their house. The sellers took the position that this constituted default and retained the

earnest money. The Complainants allege that the Respondent told them that a home sale contingency was not necessary, claiming the Respondent assured them they would get the earnest money back. Thus, this complaint stems from the loss of the earnest money. The Respondent's principal broker interpleaded the money within 21 days.

The Respondent says she worked with the Complainants for roughly eight months. The Complainants made eight separate offers, all without contingencies regarding the West TN home, and all eight were rejected. The Respondent says most were multiple offer situations. Finally, an offer was accepted, and a closing date identified. Over the course of the following two weeks, the Complainants were still unable to sell their West TN home. The Respondent says she went to the sellers' agent to inquire if they would agree to a reduction to \$570K. The sellers would not agree to come down on the price but did agree to amend the closing date. Even with the extension, the Respondent says the Complainants' West TN house simply did not appraise for as much as anticipated and would not be able to sell in time. Further, they could not get enough financing to purchase the East TN home while still carrying the West TN property. The Respondent closes by saying that an "independent release" was eventually negotiated; however, she does not state what the terms of the release were.

While the Respondent never explicitly states it, the Respondent appears to have recommended not making any offer contingent on the sale of the West TN home because of the competitive market. Given the nature of the market and the multiple offer situations, it seems the Respondent thought it best to leave out that contingency. Likely, the Complainants and Respondent were never on the same page as to what a "contractual contingency" was versus the sellers just being aware that the Complainants' house was still on the market. By the terms of the purchase/sale agreement, the sellers were likely entitled to retain the earnest money. Further, the Respondent and listing agent may have thought the Complainants would come through with the sale of the West TN home, eliminating the need to include a contingency provision.

**Recommendation: Discussion.**



**Commission Decision:** The Commission voted to issue a Consent Order with a Five Hundred Dollar (\$500.00) civil penalty for failure to exercise reasonable skill and care.

**New Information:** On or about June 4, 2024, Counsel filed a Notice of Hearing and Charges for this matter before the Administrative Procedures Division to be heard before the Commission with an administrative law judge on August 7, 2024. Following dissemination of the NOHC, Counsel and Respondent's counsel began to discuss the next steps in the matter and discussed possible settlement options. Following this discussion, Counsel recommends Respondent be assessed a civil penalty of Two Hundred Fifty Dollars (\$250.00) for violations of Tenn. Code Ann. § 62-13-403(1). Counsel and Respondent's counsel have drafted a potential Agreed Order for consideration for the Commission.

**New Recommendation:** Two Hundred Fifty Dollar (\$250.00) civil penalty.

**New Commission Decision:** The Commission accepted counsel's recommendation.

## **GENERAL DISCUSSION**

Executive Director Denise Baker announced it was time to elect a new Chair and Vice Chair.

A motion was made to by Commissioner Farris to elect Commissioner Diaz as Chair. Seconded by Commissioner Begley. The motion carried unanimously.

A motion was made by Commissioner Guinn to elect Commissioner Farris as Vice Chair. Seconded by Commissioner Smith. The motion carried unanimously.

Executive Director Baker announced that she, Anna Matlock, Commissioner Farris, and Commissioner Smith will be speaking at Tennessee Insights in Franklin on August 14, 2024 at 10:00 a.m.

**MEETING ADJOURNED AT 11:35AM**