

**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 December 11, 2024, at 8:30 a.m. CST in room 1-A 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 Stacie Torbett, Commissioner Michael Gaughan and Commissioner Joe Begley. Commissioner Tucker was absent. Quorum Confirmed. Others present are Associate General Counsel Anna D. Matlock, Associate General Counsel Kimberly Cooper, Associate General Counsel Aerial Carter, Paralegal Carol McGlynn, and TREC staff member Denny Lammers.

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

The motion to approve the December 11, 2024, agenda was made by Commissioner Smith and seconded by Commissioner Farris. The motion passed Unanimously.

The November 13, 2024, Commission meeting minutes were submitted for approval. The motion to approve the November 13, 2024, minutes was made by Commissioner Gaughan and seconded by Commissioner Torbett. The 7-1 with Commissioner Begley abstaining.

**INFORMAL APPEARANCES**

Jacob Reppert appeared before the Commission with his Principal Broker, Amanda Green, to receive approval for his Acquisition Agent license.

Commissioner Gaughan motioned to approve Jacob Reppert and was seconded by Commissioner Torbett. The motion passed unanimously.

Cal Elcan appeared before the Commission with his Principal Broker, Hagan Stone to receive approval for his Affiliate Broker license.

The motion to approve Cal Elcan was made by Commissioner Farris and seconded by Commissioner Moffett. The motion passed unanimously.

### **WAIVER REQUESTS**

Katherine Bonner appeared before the Commission seeking a medical waiver for fees and CE's and for her license to be put into retirement status. A motion to approve was made by Commissioner Torbett and seconded by Commissioner Begley. The motion carried 7-1 with Commissioner Guinn voting no.

### **EDUCATION REPORT**

Executive Director Denise Baker presented the Education Report to the Commission and introduced the new Director of Education, Brittany Morris.

The motion to approve courses 1-37 was made by Commissioner Smith and seconded by Commissioner Farris. The motion passed unanimously.

Executive Director Baker presented the instructor biographies for approval. The motion to approve the 11 instructor biographies was made by Commissioner Torbett and seconded by Commissioner Begley. The motion passed unanimously.

Executive Director Baker announced that TREC had approved hundreds of courses as well as Instructors and Thanked Scott Smith for his assistance in getting everything prepared.

### **EXECUTIVE DIRECTOR REPORT**

Executive Director Baker introduced her report showing active licenses by profession as well as exams taken and open and closed reports.

Executive Director Baker announced a formal invitation to participate in a panel discussion for the 2025 Excel Summit to be held on Tuesday February 11 at 2 p.m.

TREC does anticipate a hearing on Feb 12, 2025.

Executive Director Baker announced that ARELLO's midyear meeting will take place in San Diego CA, April 14<sup>th</sup> through 16<sup>th</sup>. The day after the meetings conclude, ARELLO will present Commissioner's College 102.

Update on Public Records Requests. TREC has seen an influx in public records requests that require reconfiguring data points within our system. Beginning in January 2025, TREC will be requesting reimbursement for some public records requests.

As of Sunday, TREC has had 9,527 licensees signed up for RISC E&O Insurance. This number is consistent with what RISC saw during the 2021 and 2023 enrollment periods. The last few weeks of December are where RISC has historically seen the majority of enrollments. We expect the enrollment numbers to pick up significantly. RISC has an email blast going out this week to those that have yet to enroll.

Executive Director Baker gave a shout out to the TREC team. This year has seen promotions, retirements, professional certifications, leadership programs, stretch assignments with the first of its kind high school graduate licensure programs. We even have a new US citizen. From January 1<sup>st</sup> through December 7<sup>th</sup> of this year we have answered 49,880 voice and non-voice tickets. We revived TREC's audit program and have completed over 108 audits. We have also processed over 29,000 initial applications, renewal applications and transfer applications.

## **RULEMAKING HEARING**

Anna Matlock called the rulemaking hearing to order. The proposed rules amend certain general licensing, rules of conduct, and vacation lodging service requirements resulting from the Department's review as required by the General Assembly's enactment of Tenn. Code Ann. § 4-5-213. Most of the rule amendments are clerical and do not impose any additional licensure standards.

Specifically, the rule amendments simplify civil penalty schedules, lower the barrier of entry for certain individuals with criminal convictions, clarify the errors and omissions insurance and gifts and prizes reporting requirements, and repeal an outdated rule related to telephone answering services.

## **LEGAL SECTION**

### **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 1-55 except for the following complaints, which were pulled for further discussion: **2024045221, 2024047201, 2024051041, 2024051061, 2024051311, 2024051671, 2024047651, 2021033881, 2024049261, 2024052921, 2023033861.**

A motion to accept was made by Commissioner Smith and seconded by Commissioner Torbett. The motion carried unanimously.

After further discussion on complaint 2024045221 a motion to dismiss was made by Commissioner Guinn and seconded by Commissioner Gaughan. The motion carried unanimously.

After further discussion on complaint 2024047201 a motion to assess a One Thousand Dollar (\$1,000.00) civil penalty for failure to respond within ten (10) days in violation of Tenn. Code Ann. § 62-13-313(a)(2) and revoke Respondent's license. was made by Commissioner Torbett and seconded by Commissioner Guinn. The motion carried unanimously.

After further discussion on complaint 2024051041 a motion to revoke respondent's license was made by Commissioner Farris and seconded by Commissioner Guinn. The motion carried unanimously.

After further discussion on complaint 2024051061 a motion to assess a One Thousand Dollar (\$1,000.00) civil penalty for violation of Tenn. Code Ann. 62-13-403(4), or failure to provide services to each party of the transaction with honesty and good faith, as well as require Respondent to complete the 2024-2025 CORE course and a four (4) hour course on communications and/or social media to be completed in one hundred eighty (180) days above and beyond Respondent's required continuing education was made by Commissioner Smith and seconded by Commissioner Torbett. The motion carried unanimously.

After further discussion on complaint 2024051311 a motion to accept counsel's recommendation to dismiss was made by Commissioner Smith and seconded by Commissioner Moffett. The motion carried unanimously.

After further discussion on complaint 2024051671 a motion was made by Commissioner Smith and seconded by Commissioner Moffett to assess a One Thousand Dollar (\$1,000.00) civil penalty, for violation of Tenn. Code Ann. § 62-13-312(d) and to comply with the required audit within ninety (90) days, or have their license revoked. Additionally, the Commission voted to administratively open a complaint against Respondent's principal broker. The motion carried unanimously.

After further discussion on complaint 2024047651 a motion was made by Commissioner Smith and seconded by Commissioner Moffett to assess a Five Hundred Dollar (\$500.00) civil penalty for violation of Tenn. Comp. R. & Regs. 1260-02-.12(3)(b) which states that all advertising shall be under the direct supervision of the principal broker and shall list the firm name and the firm telephone number as listed on file with the Commission and administratively open a complaint against Respondent's principal broker for failure to supervise. Motion carried unanimously.

After further discussion on complaint 2021033881 a motion to accept counsel's recommendation to dismiss was made by Commissioner Farris and seconded by Commissioner Guinn. The motion carried unanimously.

After further discussion on complaint 2024049261 a motion was made by Commissioner Farris and seconded by Commissioner Smith to assess a Five Hundred Dollar (\$500.00) civil penalty for violation of Tenn. Code Ann. § 62-13-403(2). Motion carried unanimously.

After further discussion on complaint 2024052921 a motion was made by Commissioner Farris and seconded by Commissioner Torbett to accept counsel's recommendation to dismiss. The motion carried unanimously.

After further discussion on complaint 2023033861 a motion to issue a letter of warning was made by Commissioner Torbett and seconded by Commissioner Smith. The motion carried 6-2 with Commissioners Begley and Gaughan voting no.

**Kim Cooper**

**New Complaints:**

1. **2024043951**  
**Opened: 8/20/2024**  
**First Licensed: 6/25/2013**

**Expires: 12/19/2024**

**Type of License: Principal Broker**

**History: None**

Anonymous Complainant alleged that Respondent's advertisement was in violation of Tenn. Comp. R. & Regs. 1260-02-.12(7). Respondent's advertisement was provided and contained the following language: "This property comes with a \$500 lender credit, \$300 attorney credit for our VIP buyers. Call to become a VIP Buyer!"

Respondent stated that the buyer benefits are legitimate and only for qualifying buyers, and that many of their clients have met those requirements. The Respondent's advertisement does make clear benefits are subject to becoming a "VIP buyer" but does not explain how to become a VIP buyer.

**Recommendation: Letter of Instruction regarding Tenn. Comp. R. & Regs. 1260-02-.12(7)(b) which requires any offer, guaranty, warranty or the like, made to induce an individual to enter an agency relationship or contract be made in writing and must disclose all pertinent details on the face of such offer or advertisement.**

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

**2. 2024043191**

**Opened: 8/26/2024**

**First Licensed: 7/12/2012**

**Expires: 1/10/2026**

**Type of License: Principal Broker**

**History: 2023 Consent Order for Advertising Violation**

Complainant was a homebuyer who filed a complaint against Respondent, who was the listing agent for the seller, in 2019 because of damaging flooding that occurred and alleged that Respondent knew the flooding was an ongoing issue for the home because the spouse of Respondent was the seller. That complaint was previously heard and dismissed. Complainant alleges that Respondent was subsequently found liable for the damage and violation of the *Broker Act* by failing to disclose the known

defects. Complainant was awarded compensatory and punitive damages in 2021. A copy of the jury verdict was provided along with the Order for damages. Those damages were upheld after appeal in April 2023. Complainant now alleges that Respondent has failed to pay the ordered damages and still refuses to accept responsibility for their actions.

Respondent argued that the matter had already been decided by the Commission and was dismissed because the transaction was an AS-IS sale and Respondent provided a copy of the Residential Property Exemption Notification signed by the buyer.

This matter was previously heard and dismissed by the Commission, and the finding by the jury that the Respondent violated the *Broker Act* is more than three years old.

**Recommendation: Dismiss.**

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

**3. 2024045221**

**Opened: 9/9/2024**

**First Licensed: 10/11/2002**

**Expires: 11/30/2024**

**Type of License: Principal Broker**

**History: 2016 Consent Order for failure to supervise an affiliate; 2022 Agreed Citation for failure to supervise an affiliate regarding an advertising violation**

Complainant is a licensee in another state, and Respondent is the principal broker for a firm in Tennessee that also operates in other states. Complainant states they became “aligned with” Respondent’s firm in early 2024, and it was explained to Complainant that the operations for the multi-state firm would be based here with Respondent overseeing the Complainant’s firm’s onboarding including E&O insurance and marketing. Complainant makes several allegations regarding Respondent’s failure to comply with their agreement that are outside the purview of the Commission. Complainant does allege, however, that Respondent is serving as principal broker for more than one firm and those firms do not operate out of the same physical address as required by Tenn. Code Ann. § 62-13-309(4)(g).

Complainant also alleges that Respondent acted as co-listing agent on an active property listing without notification to or the permission of the property owners.

Respondent stated that the two firms do operate out of the same physical address while the corporate headquarters for each firm operate from their own separate location. Counsel confirmed the physical address for both firms is the same location. Respondent stated that regarding the listing, the broker for that listing was released and the MLS was updated with the principal broker as the listing agent. Since the principal broker was out of town during the weekend this occurred, Respondent was named as co-listing agent and they communicated with the owners who requested a release from their Exclusive Right to Sell Agreement. Respondent stated that Agreement was terminated and finalized within three business days.

Complainant provided a rebuttal with emails between the property owner and the principal broker, expressing their displeasure over the listing and the lack of communication with the property owner regarding the status of the listing. It also includes an email from the property owner to the Respondent stating that they learned Respondent was the co-listing agent by viewing the active property listing and seeing Respondent's name "which is a surprise to us."

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for failure to diligently exercise reasonable care and skill to all parties to the transaction in violation of Tenn. Code Ann. § 62-13-403(1).**

**Commission Decision: The Commission voted to dismiss the complaint.**

4.    **2024040081**  
      **Opened: 8/12/2024**  
      **First Licensed: 12/5/2019**  
      **Expires: 12/4/2025**  
      **Type of License: Affiliate Broker**  
      **History: None**

Complainant was a homebuyer and Respondent was allegedly the owner and agent for the sale of the property. Complainant alleges that Respondent used their knowledge as a licensee to manipulate the system in their favor and for the benefit of their sibling who was the co-owner/co-builder to sell a home that has so far has



been alleged to need between \$50,000 and \$100,000 worth of repairs. Complainants allege that Respondent and co-owner are not and were not licensed contractors, indicated they were building the home for themselves to be exempt from permitting requirements, and then sold the home to Complainants knowing it was not fit for habitation. Complainants allege misrepresentation and fraud.

Respondent stated they built the home with the intent to live in it but due to personal circumstances plans changed. The county where the home is located is a county that has elected to opt out of statewide building construction standards for one- and two-family dwellings, and Respondent stated the electrical and septic permits which are required were obtained. Respondent asserted the Complainants had their own agent to represent them, that Complainants had a home inspection prior to closing and all items that were requested to be fixed after the inspection were fixed. Respondent included copies of text messages between the parties addressing some of Complainants' concerns and conclude with Complainants' stating they would get a list together of concerns with their realtor to discuss with the Respondent.

Complainants have obtained legal counsel and are moving forward with their civil options. Currently, there is insufficient evidence of a violation of the Rules or *Broker Act*.

**Recommendation: Close and flag.**

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

**5. 2024044401**

**Opened: 9/3/2024**

**First Licensed: 6/1/1973**

**Expires: 1/29/2025**

**Type of License: Principal Broker**

**History: 2007 Agreed Citation failure to obtain current E&O insurance**

Complainant is a licensee. Complainant alleges that a lead came to their phone via Realtor.com, and Complainant called Respondent who said they wanted to schedule a tour of a property on behalf of their friend/Buyer. Complainant alleges Respondent implied that they would be accompanying the Buyer on the tour, and Complainant

asked Respondent to execute a “Single Property Buyer Broker Representation Agreement” prior to conducting the tour. Complainant stated they asked Respondent if they were the Buyer’s agent and Respondent said they were not. When Buyer arrived to see the home, they provided a signed copy of the Buyer Broker form with the Respondent as Buyer’s agent. Complainant later that same day spoke with Respondent and told them they would not have driven an hour out to show the property if Buyer was represented by Respondent, and Respondent stated there was a “misunderstanding.” Complainant seems to be alleging that Respondent did not act in good faith.

Respondent apologized for the issue and stated it was the result of difficulty in getting an appointment set up through the listing company. Respondent resorted to going to the listing company’s website and requested an appointment and ended up speaking with Complainant. Respondent stated their lack of understanding of how the company handled their incoming calls added to the confusion. Respondent was then unable to meet with the Buyer at the property due to a difficult situation at the church they attended that morning and was unable to speak with either party before the showing. Respondent was also not aware that the Complainant was not local to the area. Respondent apologized to the Complainant and the Buyer and stated they offered to pay a referral fee to the Complainant. Based on the information provided there is insufficient evidence of a violation of a Rule or the *Broker Act*.

**Recommendation: Dismiss.**

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

**6. 2024043261**  
**Opened: 9/17/2024**  
**First Licensed: 10/7/1998**  
**Expires: 3/25/2025**  
**Type of License: Principal Broker**  
**History: None**

Complainant was a Buyer of a property listed by Respondent’s affiliate (“RA”). Complainant alleges that RA lied to Complainant’s agent about several repairs being

completed when they were not, in fact, completed, and Complainant and their own agent relied on these assurances and went forward with the closing without personally confirming the repairs had been completed. Complainant asserted RA knew and did not disclose the repairs had not been done and that the home had no functioning heat. Complainant alleges breach of contract and Respondent as principal broker should be held responsible for the actions of their affiliate. Complainants provided a copy of their Purchase and Sale Agreement and the repair/Replacement Amendment along with emails between the Complainants, their agent, RA, and Respondent regarding needed repairs.

Respondent asserted that Complainants and Sellers agreed to some repairs being done after closing was completed and provided a copy of the Final Inspection Form which indicated Complainants' acknowledgement of "post-closing conditions" and that funds would be held in escrow as payment for those contingencies. Respondent also asserted that Complainants were aware several days before closing that due to the extent of the repairs and severe weather conditions causing delays that all the repairs would not be completed by closing, and denies RA ever told Complainants that everything had been completed. Complainants and Sellers entered into an agreement a few months after closing for payment on invoices for repairs, and Respondent's firm was not involved in those transactions. Respondent denied RA misled the Complainants' agent at any point, and stated they were in contact regularly with their agent. RA provided a report from the HVAC vendor prior to closing confirming that the HVAC unit was in full working order. There is insufficient evidence to support the allegation that RA or Respondent failed to disclose known defects or issues with the repairs.

**Recommendation: Dismiss.**

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

**7. 2024050501**  
**Opened: 9/24/2024**  
**First Licensed: 4/25/2023**  
**Expires: 4/24/2025**  
**Type of License: Affiliate Broker**  
**History: Done**

Complainant alleged Respondent was arrested for assault of another agent and bragged on social media about the incident. Complainant provided a screenshot of Respondent in front of a courthouse with the caption “Showed her some country justice and ended up in handcuffs.” The alleged “victim” was not named and there was no additional information.

Respondent and their principal broker responded, and both stated it was a video done for humor in response to several of Respondent’s signs being stolen by an unknown individual. Respondent stated they have a background in acting and wrestling and their social media followers knew it was a joke, but they took the video down so it could not be misconstrued.

**Recommendation: Dismiss.**

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

**8. 2024051571**  
**Opened: 9/24/2024**  
**First Licensed: 8/14/1996**  
**Expires: 3/6/2025**  
**Type of License: Real Estate Firm**  
**History: None**

Complainant was a tenant in a home managed by Respondent and is disputing the amount of money owed to Respondent claiming that they are not allowed to charge it under the Tennessee Tenant-Landlord Act. Respondent’s principal broker responded and stated they were not the property management company for the property when the Complainant entered the lease and did not hold Complainant’s deposit money. Additionally, the Commission does not have jurisdiction over landlord tenant disputes.

**Recommendation: Dismiss.**

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

**9. 2024049471**  
**Opened: 9/30/2024**  
**Unlicensed**  
**History: None**

Complainant is a resident of an apartment in a complex managed by Respondent. Complainant alleges that Respondent is operating several properties in the area and is not licensed to do so.

Respondent's attorney responded on behalf of Respondent and asserted they are exempt under Tenn. Code. Ann. § 62-13-104(a)(1)(E) as the owners of the property and clarified that they own several properties in the area and manage all of them.

**Recommendation: Dismiss.**

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

**10. 2024046261**  
**Opened: 10/7/2024**  
**First Licensed: 7/12/2004**  
**Expires: 7/26/2025**  
**Type of License: Principal Broker**  
**History: 2021 Consent Order for Unlicensed activity**

Anonymous complainants are property owners in multiple developments owned by Respondent. Complainants allege that as the developer, Respondent mislead Complainants and advertised amenities that were not and still are not available to the homeowners. Complainants also allege Respondent has committed multiple violations of the Realtor Code of Ethics and is mismanaging the HOA of the community. The alleged ethical violations all concern the HOA management and are outside the purview of the Commission. Other allegations involve contractual disputes with the Respondent or with the HOA and are also outside of the purview of the Commission.

Respondent's attorney provided a response on behalf of Respondent and argued that the allegations are not supported by evidence. Respondent asserted the allegations also do not involve any transactions by the Respondent as a licensee and are all related to the company Respondent owns that is the developer for these communities. The parties are currently engaged in civil litigation, and Counsel noted this is the fourth anonymous complaint lodged against the Respondent this year.

**Recommendation: Close and flag.**

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

**11. 2024046301**

**Opened: 10/7/2024**

**First Licensed: 7/25/2005**

**Expires: 6/8/2025**

**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 alleged that Respondent "appears to be conducting deceptive business practices as well as false and misleading information regarding listed properties." Counsel followed up to obtain additional information and Complainant asked that we "disregard the complaint."

Respondent stated they could not provide a proper response without knowing at least some details of the complaint but denied any wrongdoing.

**Recommendation: Dismiss.**

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

**12. 2024047201**

**Opened: 10/7/2024**

**First Licensed: 12/5/2003**  
**Expires: 10/3/2025**  
**Type of License: Principal Broker**  
**History: None**

Complainant is a licensee, and alleged that Respondent and their firm is advertising “for buying or selling (with Respondent) receive a Visa, Home Depot, or Lowe’s gift card up to \$1,000 after closing.” Complainant provided a copy of the advertisement.

Respondent did not respond to the complaint.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for failure to respond within ten (10) days per Tenn. Code Ann. § 62-13-313(a)(2).**

**Commission Decision: The Commission voted to assess a One Thousand Dollar (\$1,000.00) civil penalty for failure to respond within ten (10) days in violation of Tenn. Code Ann. § 62-13-313(a)(2) and revoke Respondent’s license.**

**13. 2024047561**  
**Opened: 10/7/2024**  
**First Licensed: 7/20/2017**  
**Expires: 1/19/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant was selling their home, and the Respondent was their agent. Complainant alleged that Respondent’s personality was so abrasive that several offers fell through and alleges that Respondent “wrote an offer (for a buyer) even though they were not representing the buyer.” Complainant did not feel like they should have to pay the full contracted commission if the other party was unrepresented, opined it is “illegal” for a buyer to be unrepresented, and alleged that Respondent sabotaged the sale once Complainant refused to “pay more money”.

Respondent denied any wrongdoing, and alleged that Complainant’s unreasonable demands and counteroffers lead to multiple buyers walking away from the sale. The parties provided copies of text messages that document a deteriorating relationship

as well as text and email messages between Respondent and potential buyers' agents regarding their frustration with Complainant and do not establish any Rule or *Broker Act* violation by Respondent. Complainant's allegations related to a commission dispute are not within the purview of the Commission.

**Recommendation: Dismiss.**

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

**14. 2024048441**

**Opened: 10/7/2024**

**First Licensed: 8/30/2001**

**Expires: 9/7/2026**

**Type of License: Principal Broker**

**History: 2011 Consent Order for failure to supervise; 2014 Letter of Warning**

**This complainant is related to REC-2024048481 below.**

Complainant purchased a home in August 2022 and Respondent was the listing agent for the developer. Complainant alleged that Respondent "accepted responsibilities to collect, triage and manage home warranty repairs" in their community in September 2023. Complainant alleges that after obtaining the information regarding repairs needed Complainant did not hear from Respondent again. Complainant alleges that Respondent knew that there were existing problems with warranty repairs in this development before Complainant purchased their home and Respondent did not disclose these issues in violation of their duty to provide services to each party to the transaction with honesty and good faith.

Respondent stated that at closing homeowners including Complainant were given access to the warranty system to request repairs after closing. The developer fell behind on warranty repairs in early 2022 and asked Respondent to contact the homeowners to see what outstanding repairs needed to be made because of an issue with the online warranty system. Respondent did so and Complainant was one of the homeowners they spoke with. Respondent then passed that information on to the



builder who would send in subcontractors to do the work and Respondent kept an updated list for the builder at their request. In September 2023 Respondent learned the builder was again behind on repairs, and in October the builder told Respondent they had made progress on the outstanding repairs. Respondent then had significant health issues and has been on disability at home since January 2024, and the HOA directed homeowners to contact the builder directly with any issues. Based on the information provided there is insufficient evidence that Respondent is in violation of a Rule or the *Broker Act*.

**Recommendation: Dismiss.**

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

**15. 2024048481**

**Opened: 11/5/2024**

**First Licensed: 5/5/2014**

**Expires: 5/4/2026**

**Type of License: Affiliate Broker**

**History: None**

Complainant purchased a home in August 2022 and Respondent acted as an assistant agent or Contract to Close Coordinator to the listing agents for the developer. Complainant alleges that Respondent knew at the time Complainant purchased the home that repairs were not being timely completed; they are still waiting on repairs to be done; and that Respondent had a duty to disclose "known ethical, quality and repair practices."

Respondent stated the closing of the property took place on August 30, 2022, and on September 29, 2022, the Complainant emailed Respondent and others about issues that needed to be repaired per the final walk-through punch list. Respondent stated some repairs were delayed due to the builder changing subcontractors or due to delays in obtaining materials but noted that when Complainant purchased their home, Respondent had no reason to believe the builder would not timely complete repairs or communicate with the homeowners. "If the Complainant or their agent had asked any questions about whether the builder was experiencing delays in

completing repairs, they would have directed Complainant to the listing agent to address concerns.”

**Recommendation: Dismiss.**

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

**16. 2024048531**  
**Opened: 11/5/2024**  
**First Licensed: 7/2/2013**  
**Expires: 1/12/2026**  
**Type of License: Principal Broker**  
**History: None**

Respondent is the Principal Broker of the licensees in the related complaints above. For the reasons previously stated, Counsel recommends dismissal.

**Recommendation: Dismiss.**

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

**17. 2024049001**  
**Opened: 10/7/2024**  
**First Licensed: 1/19/2021**  
**Expires: 1/18/2025**  
**Type of License: Principal Broker**  
**History: None**

Complainant/homeowner alleged Respondent called and asked if they want to sell and offered to come look at the property and make an offer. After meeting with Respondent, Complainant alleges Respondent listed the property without their permission at a price they did not agree on, with pictures that included personal property the Complainant did not want to be shown. Complainant provided a copy of the MLS listing.

Respondent stated the person that called and spoke with Complainant by phone was not Respondent, and Complainant is confused about the timeline of events. Respondent was contacted by what they say was a co-owner of the property and provided a copy of a listing agreement that was signed by Complainant and co-owner. Respondent coordinated the listing through the co-owner and when they learned that Complainant was not happy that the property had already been listed, they removed the MLS listing and apologized for any misunderstanding.

**Recommendation: Dismiss.**

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

**18. 2024051161**

**Opened: 10/7/2024**

**First Licensed: 11/18/2013**

**Expires: 11/1/2025**

**Type of License: Principal Broker**

**History: 2024 Consent Order for failure to supervise an affiliate due to a lapse in affiliate's E&O insurance; 2024 Consent Order for failure to supervise an affiliate due to an advertising violation**

Complainant alleged that Respondent's website advertises as a team member an agent that has not been active in almost two years. Respondent acknowledged that their parent is on the website as the founder of the firm, and that they retired two years ago. Counsel confirmed that the parent is no longer an active licensee.

**Recommendation: Letter of Instruction regarding advertising in a misleading manner pursuant to Tenn. Comp. R. & Regs. 1260-02-.12(3)(f).**

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

**19. 2024051041**

**Opened: 10/14/2024**

**First Licensed: 9/4/2013**

**Expires: 9/15/2023 (Expired)**

**Type of License: Real Estate Broker**

**History: None**

This was an administratively opened complaint. Respondent's affiliate broker was alleged to be conducting unlicensed activity, negotiating an offer on behalf of a client while their license had been expired for almost a year. Respondent's firm license and their own broker license have also expired yet they have continued to conduct activity that requires licensure under the *Broker Act*. Respondent did not respond to this complaint and the Commission has recently recommended civil penalties for unlicensed activity for the firm and affiliate broker.

**Recommendation: Discuss.**

**Commission Decision: The Commission voted to revoke Respondent's license.**

**20. 2024051061**

**Opened: 10/14/2024**

**First Licensed: 10/26/2015**

**Expires: 5/9/2026**

**Type of License: Real Estate Broker**

**History: 2020 Consent Order for failure to exercise reasonable skill and care**

Complainant was the agent for a buyer and Respondent was the agent for seller. Complainant alleged that Respondent was upset with an offer conveyed by Complainant. Respondent posted to social media her displeasure with the Complainant that, while it did not disclose the name of the Complainant or the Buyer, did include a screen shot of the offer's Special Stipulations. Comments on the post, that Respondent agreed with and emphasized in their interactions with the commenters, were that the Complainant, the Buyer, and the offer are "cheap people", "disgusting", "money hungry" "offensive", etc. Complainant alleges that Respondent's actions were a disclosure of confidential information, threatened both the Buyer and Seller's ability to complete the sale, and were extremely unprofessional.

Respondent apologized for the post, acknowledged it was a poor decision and stated they were embarrassed by their actions. Respondent was called in to discuss the matter with their principal broker and how they could right the situation and attended three weekly training sessions regarding settlement and negotiation. Respondent said they reached out to apologize to the Complainant but has not heard back, which they said was “understandable” under the circumstances.

**Recommendation: Five Hundred Dollar (\$500.00) civil penalty for violation of Tenn. Code Ann. § 62-403(4) failure to provide services to each party of the transaction with honesty and good faith.**

**Commission Decision: The Commission voted to assess a One Thousand Dollar (\$1,000.00) civil penalty for violation of Tenn. Code Ann. 62-13-403(4), or failure to provide services to each party of the transaction with honesty and good faith, as well as require Respondent to complete the 2024-2025 CORE course and a four (4) hour course on communications and/or social media to be completed in one hundred eighty (180) days above and beyond Respondent’s required continuing education.**

**21. 2024051291**

**Opened: 10/14/2024**

**First Licensed: 10/02/2020**

**Expires: 10/1/2026**

**Type of License: Affiliate Broker**

**History: None**

Complainant alleged that Respondent had a home listed with incorrect square footage. Complainant knew the square footage was incorrect because they were selling their own home which was the same floorplan but had an extra room that Respondent’s home did not have.

Respondent stated that they pulled the square footage directly from the tax recorded data and the previous listing made by the builder. Respondent updated the MLS listing and provided a copy of the listing reflecting the change.

**Recommendation: Letter of Warning regarding the listing be "current and accurate" pursuant to Tenn. Comp. R. & Regs. 1260-02.12(5)(c).**

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

**22. 2024051531**

**Opened: 10/14/2024**

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

**Expires: 1/3/2026**

**Type of License: Affiliate Broker**

**History: None**

Complaint stated they purchased their home in 2022 and Respondent was the listing agent for Seller. Complainant experienced a significant flood in May 2024 and alleges that they have since learned there was a history of flooding from their neighbors who advised the home had flooded several times in the past. Complainant stated they would never have purchased the home had it been disclosed and that Respondent was deceitful and withheld that information.

Respondent provided a copy of the CRS Data FEMA Flood Zone obtained at the time of the transaction which showed the home was in an area of minimal flood hazard and above the 500-year flood level. Respondent also provided the disclaimer notice that the Complainant signed at the time of the transaction, and Counsel noted that the date of the closing was 2020, not 2022. Respondent denied any knowledge of previous flooding and said they certainly would have disclosed it if they had known. While the Complainant's situation is extremely unfortunate, there is insufficient evidence of a violation by Respondent and the transaction took place more than two years before the filing of the complaint.

**Recommendation: Dismiss.**

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

**23. 2024051551**

**Opened: 10/14/2024**

**First Licensed: 3/27/2024**

**Expires: 3/26/2026**

**Type of License: Affiliate Broker**  
**History: None**

Complainant is a tenant in a property managed by Respondent's firm. Complainant alleges that Respondent has not acted with honesty and good faith in coordinating requested maintenance and repairs to the property since assuming management in September 2024. Complainant also alleges that Respondent is now retaliating against Complainant for filing the complaint.

Respondent stated that Complainant has been a difficult tenant and interfered with repair personnel when they attempted to address Complainant's issues, leading to confrontations and refusals to move forward unless management was present. Respondent provided copies of emails between the parties (including the vendor hired to do the repairs) that document a quickly deteriorating relationship but do not establish that the Respondent violated a Rule or the *Broker Act*.

**Recommendation: Dismiss.**

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

**24. 2024051311**  
**Opened: 10/28/2024**  
**Unlicensed**  
**History: None**

Complainant alleges they purchased a home from Respondent and that the Respondent provided an incorrect survey and incorrect "Horizontal Property Regime" documents at closing. Complainant alleges that they had a fence built relying on the incorrect survey and had to have it removed at a significant cost after learning that it was built on a neighbor's property. Complainant alleged Respondent engaged in fraudulent activity and "should have their license revoked".

Respondent company did not respond to the complaint, but based on the paperwork provided by Complainant, Respondent appears to have been the owner/developer of Complainant's townhome community, and there is insufficient proof that they engaged in unlicensed activity.

**Recommendation: Dismiss.**

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

**25. 2024051671**

**Opened: 10/28/2024**

**First Licensed: 7/26/2018**

**Expires: 7/25/2026**

**Type of License: Real Estate Firm**

**History: None**

This is an administratively opened complaint. An audit was opened on April 1, 2024, for the firm. Complainant alleged that after multiple attempts and months of requesting the proper documentation, the firm has not provided sufficient records to satisfy the audit. Some financial records were eventually provided but were not organized and auditor could not determine which of the multiple accounts were operational or escrow accounts. Respondent was instructed to organize the documents and provide statements for all twelve months for the referenced accounts and did not do so.

Respondent responded to the complaint by stating they have tried to comply and asked for a "sample" of what the auditor needed. Respondent also stated they would be meeting with an accountant to assist in getting the matter resolved and their "systems in order." Pursuant to Tenn. Code Ann. § 62-13-312 refusal to permit access shall constitute grounds for the Commission to suspend or revoke a license.

**Recommendation: Discuss.**

**Commission Decision: The Commission voted to assess a One Thousand Dollar (\$1,000.00) civil penalty, for violation of Tenn. Code Ann. § 62-13-312(d) and to comply with the required audit within ninety (90) days, or have their license revoked. Additionally, the Commission voted to administratively open a complaint against Respondent's principal broker.**



**26. 2024040101**  
**Opened: 11/5/2024**  
**First Licensed: 4/6/2006**  
**Expires: 11/24/2025**  
**Type of License: Principal Broker**  
**History: None**

Complainant alleged that Respondent advertised a home on social media including an MLS number but with no link to information about the Respondent or Respondent's firm. Complainant provided a screenshot of the advertisement, but it was cropped, and Counsel could not see the entire advertisement.

Respondent stated that they always marketed their properties on social media with either a link to the MLS and or with the company name and number. Respondent stated that the property in question had already been sold and so they did not have an active listing or advertisement for the property, but they provided a copy of an advertisement they placed for the same property on a different platform, and it had all the required information. There is insufficient evidence of a Rule or *Broker Act* violation.

**Recommendation: Dismiss.**

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

**27. 2024047651**  
**Opened: 11/5/2024**  
**First Licensed: 8/15/2003**  
**Expires: 5/16/2026**  
**Type of License: Affiliate Broker**  
**History:**

Complainant alleged that Respondent advertised in a magazine and the ad had an incorrect firm name and incorrect firm number. The number listed appears to be Respondent personal number and the firm name printed is only part of the firm's name or d/b/a/ on file with the Commission.

Respondent stated that the phone number is Respondent's personal number as the firm's office number did not fit on the advertisement and was removed by the editor with Respondent's knowledge or consent. Respondent stated that on additional pages in the same magazine "which could be considered the same advertisement" the firm's number is correctly listed. Respondent stated that the firm's d/b/a was printed, but Counsel found a different d/b/a on file with the Commission.

**Recommendation: Five Hundred Dollar (\$500.00) civil penalty for violation of Tenn. Comp. R. & Regs. 1260-02-.12(3)(b) which states that all advertising shall be under the direct supervision of the principal broker and shall list the firm name and the firm telephone number as listed on file with the Commission.**

**Commission Decision: Five Hundred Dollar (\$500.00) civil penalty for violation of Tenn. Comp. R. & Regs. 1260-02-.12(3)(b) which states that all advertising shall be under the direct supervision of the principal broker and shall list the firm name and the firm telephone number as listed on file with the Commission and administratively open a complaint against Respondent's principal broker for failure to supervise.**

### **CASES TO BE REPRESENTED**

28. 2021033881  
Opened: 5/4/2021  
First Licensed: 6/9/2006  
Expires: 8/16/2021  
Type of License: Principal Broker  
History: None

Complainant is a Tennessee resident, and the Respondent is a licensed Tennessee Principal Broker.

The Complainant alleges that on Friday, November 20, 2020, the Seller and the Buyer entered into a Purchase and Sale Agreement for the purchase of the Seller's property. The agreement became binding on November 20, 2020. The offer was to purchase the property for \$850,000. The closing date was set for November 18, 2020. There was \$5,000 in earnest money to be held by the Buyer's real estate firm where the Respondent was the managing broker. The contingencies for the contract were financing and there was alternative financing arranged by CIG, the same day. A Closing Date/Possession Date Amendment was submitted requesting the closing date be extended to February 1, 2021. The financing was still not in place and the financing company needed more time to complete the funding documents. The Seller agreed to the extension and signed the Amendment #1. On January 29, 2021, the Buyer submitted Closing Date/Possession Date Amendment #2 and requested the closing date be extended to March 5, 2020. The Seller agreed to the extension and signed the Amendment #2. On March 4, 2021, the Buyer submitted an Amendment #3 to the Purchase and Sale Agreement requesting the closing date be extended to September 5, 2021, and the \$5,000 earnest money was to go to the Seller upon execution of this Amendment. The funding documents were not ready, and the Buyer was still attempting to seek alternative funding. The Seller was not agreeable to a six-month extension. On Friday, March 5, 2021, the Seller submitted an amendment to the Purchase and Sale Agreement requesting the closing date only be extended to April 20, 2021, and the \$5,000 earnest money be sent to the Seller upon the execution of the amendment. This amendment was unanswered by the Buyer. On Friday, March 5, 2021, the Purchase and Sale Agreement expired without an agreed upon extension or a denial of funding from the Buyer's funding source. The Respondent claimed the Buyer was going to let the property go and focus on the other two properties the Buyer was in the process of buying. On March 10, 2021, the Complainant e-mailed the Respondent to request the earnest money funds be interpleaded in court. The Respondent never responded to the Complainant's request. On March 24, 2021, the Complainant again e-mailed the Respondent to follow-up on the progress of the interpleader and received no response. The Complainant called the Respondent to follow-up and the Respondent stated the court advised that a lawsuit would need to be filed before they could accept the earnest money funds. The Complainant advised that the TAR interpleader form had to be

filed and it was sufficient. The form serves as the notice to the courts, buyer, and seller when there is a dispute about the earnest money funds. The interpleader must be filed within a certain period and the Seller was requesting the funds be interpleaded. On April 7, 2021, the Seller hired an attorney to draft and send a demand letter to the Respondent to either release the earnest money funds to the Seller or interplead the funds. As of April 26, 2021, the request has gone unanswered by the Respondent and the parties have yet to receive any type of written denial of funds from the Buyer's funding sources.

The Respondent stated at the time of the proposed closing date of March 5, 2021, the Buyer wished to postpone the closing for six more months because of the issues with the finance company not being able to provide a date certain on the finalization of the loan. The Respondent never received an answer to the counterproposal for the six-month extension. On the day of the closing, the Buyer still did not have the funds and filed suit for fraud. The Respondent's Buyer had to hire an attorney. The General Sessions Court Clerk indicated that a suit for earnest money had to be filed for the Respondent to file an interpleader with the court to take the money out of the Respondent firm's escrow account and be transferred to the Court. The money is still in the escrow account. The Respondent refused to file the interpleader because of the contingency of financing was not met on the agreed date of closing and the parties did not come to an agreement on any extension. The Respondent claims the Buyer is entitled to the return of the earnest monies.

Counsel finds the Respondent has mishandled the disbursement of earnest money. Tenn. Comp. R. & Regs. 1260-02-.09(9) states that absent demonstration of a compelling reason, earnest money shall be disbursed within twenty-one (21) days. Although Tenn. Comp. R. & Regs. 1260-02-.09(7) authorizes a Principal Broker to properly disburse trust money upon a reasonable interpretation of the contract which authorizes him to hold the trust money. Respondent was within their rights to rely on a reasonable interpretation for disbursement of the earnest money, however, where there is a dispute of a contractual nature, it would need to be heard in a court of competent jurisdiction. On March 10, 2021, the Complainant requested the release of the earnest money or filing of an interpleader. The earnest money has yet to be released or interpleaded approximately three (3) months later. Legal Counsel has determined the Respondent is in violation of Tenn. Comp. R. & Regs. 1260-09-.09(9).

**Recommendation:** Authorize a contested case proceeding and allow settlement by Consent Order and payment of a One Thousand Dollar (\$1,000.00) civil penalty for the violation of Tenn. Comp. R. & Regs. 1260-09-.09(9) for failure to interplead or release Complainant's earnest money in accordance with the Commission's rules

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

**New Information:** The parties reached a settlement in the matter and Complainant requested through their attorney to withdraw the complaint.

**New Recommendation:** Dismiss.

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

**29. 2021076201**  
**Opened: 12/20/2021**  
**Unlicensed**  
**History: None**

The Complainants are the buyers. The Respondent is an unlicensed employee of a nation-wide company that buys and sells homes.

The Complainants says the Respondent's employer "lists homes for lease with a buying option for people who have credit and/or job-related issues." The Complainants allege there were several repairs the Complainants could not get fixed after they purchased the home. The Complainants also claim, "the home was never supposed to be sold..." Apparently, the original builder built the home for himself and, therefore, there was never a certificate of occupancy issued by the county. The issue of the Respondent not having a license seems only incidental to the Complainants' other grievances.

The Respondent's attorney says the Complainants filed a lawsuit against the Respondent and her employer in August 2021. There is a motion to dismiss to be heard June 2, 2022. The attorney requests this complaint be tabled until the litigation has resolved. The issue of the license is not addressed in the response; however, the court might make some findings of fact as to whether the Respondent was acting as a broker/real estate agent. This might assist the Commission in its decision later.

The employer owns the property; however, the Respondent signed the offer to purchase as "Affiliate Partner." Apparently, this is the Respondent's job title.

**Recommendation: Litigation Monitoring.**

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

**New Information: Litigation is ongoing, and the matter is currently set for trial in May 2025.**

**New Recommendation: Close and flag.**

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

**30. 2022016891**

**Opened: 5/9/2022**

**First Licensed: 2/17/2011**

**Expires: 3/12/2026**

**Type of License: Principal Broker**

**History: None**

The Complainant is not a buyer or seller of real estate. The Respondent is a principal broker.

The Complainant states the Respondent was charged with perjury and two counts of voter registration fraud. The Complainant says the Respondent's license should be suspended immediately.

The Respondent and his attorney both responded to the complaint. The Respondent says he does not recognize the Complainant (assuming the name is real); however, he does admit to being indicted for voter registration fraud and perjury. He goes on to say that “this is a political attack stemming from my 2<sup>nd</sup> term as a city councilman and mayor pro temp for [city].” His attorney confirms much the same by saying that the Respondent was indicted in August 2021 for perjury as well as two counts of voter registration fraud. The attorney says the charges are pending and the Respondent has entered “not guilty” pleas on all charges. There is presently no conviction. Per the Respondent’s attorney, the Respondent’s spouse was also indicted who is a licensed real estate broker as well.

The status does not require the Respondent to report anything to the Commission. In the event the Respondent does accept or is found guilty, he will then need to request an appearance before the Commission within 60 days of the conviction becoming final pursuant to T.C.A. § 62-13-302(f).

In counsel’s opinion, this does not warrant a summary suspension informal conference. The charges do not relate to the real estate brokering profession and, consequently, there does not appear to be a threat of immediate harm to the public.

**Recommendation: Litigation Monitoring. Additionally, open a complaint against the Respondent’s spouse.**

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

**New Information: All court matters have been resolved in favor of the Respondent, and there is no evidence of a violation of the Rules or *Broker Act*.**

**New Recommendation: Dismiss.**

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

**Aerial Carter**

**New Complaints:**

**31. 2024037331**

**Opened: 7/22/2024**

**First Licensed: 6/13/2022**

**Expires: 6/12/2026**

**Type of License: Real Estate Firm**

**History: None**

The Complainant is anonymous. The Respondent is a Real Estate Firm. The Complainant alleged that the Respondent advertised a real estate firm in conjunction with real estate education. They stated that the individual has received a civil penalty, but they continue to violate the rules by advertising a partnership with the continued education (CE) shop for purchasing real estate education. The complaint had screenshots of the firm's social media page.

The individual that was named in the complaint is listed as a Real Estate Broker and they submitted a response. They stated that they have never had any complaints against them. They stated that the former broker was advertizing that they had a CE class. They assert that the complaint is based on a personal vendetta and didn't specify what violation they were accused of.

The screenshots advertise a partnership the CE shop and promotes discounts of 40% on all pre-licensing, exam prep, post licensing and continuing education. The posts have dates of May 23<sup>rd</sup>, June 19<sup>th</sup>, and June 25<sup>th</sup> (no year was included). However, there is no indication of who posted on the social media website, just that it came from an account with the same name as the Respondent's firm.



Counsel was able to confirm that the individual named does not show any previous discipline, but they have been listed as the Principal Broker since April 2023. Neither the individual nor the Respondent have licensing as a continuing education instructor.

Under Tenn. Comp. R. & Regs. 1260-05-.06, no course in real estate which is designed to satisfy educational requirements established in T.C.A. § 62-13-303 may be advertised in conjunction with any advertisement for the business of a broker or brokerage firm. Additionally, no broker or brokerage firm shall use or cause to be used any facility in which a course in real estate designed to satisfy educational requirements established in T.C.A. § 62-13-303 is conducted for the purpose of discussing, inducing, or promoting affiliation with such broker or brokerage firm.

Based upon all these facts, Counsel recommends this Respondent be assessed a total civil penalty of Seven Hundred and Fifty Dollars (\$750.00) (or Two Hundred and Fifty Dollars \$250.00 per violation) for advertising a continuing education course under the Respondent's social media page. Counsel also recommends that an administrative complaint be opened against the Principal Broker.

**Recommendation: Assess the Respondent a Civil Penalty of Two Hundred and Fifty Dollars (\$250.00) for advertising a continuing education course under the Respondent's social media page on May 23<sup>rd</sup>; Assess the Respondent a Civil Penalty of Two Hundred and Fifty Dollars (\$250.00) for advertising a continuing education course under the Respondent's social media page on June 19<sup>th</sup>; and Assess the Respondent a Civil Penalty of Two Hundred and Fifty Dollars (\$250.00) for advertising a continuing education course under the Respondent's social media page on June 25<sup>th</sup>. Counsel also recommends that an administrative complaint be opened against the Principal Broker.**

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

**32. 2024049261  
Opened: 10/7/2024**

**First Licensed: 3/30/2017**

**Expires: 3/29/2025**

**Type of License: Affiliate Broker**

**History: None**

The Complainant is a licensed real estate professional and represented a prospective buyer in a real estate transaction. The Respondent is an Affiliate Broker and was the listing agent and represented the prospective seller. The parties entered a binding contract, and a home inspection was conducted. The inspection found that there were structural issues. The Complainant asked the Respondent about repairs and discovered that the seller had already received a quote to repair the structural issues and was told that the seller's quote was the reason for the reduction in the asking price. Although the property disclosure form indicated that there were uneven floors, the Respondent failed to properly disclose a known material defect with the property.

The Respondent stated that the complaint is outside of the Complainant's expertise because they are not qualified to identify what a structural defect is. Additionally, The Respondent also stated that the seller is an older individual and believed that it was an aesthetic issue but when they disclosed the uneven flooring, it acknowledged the known issue with the flooring.

Counsel reviewed the documents attached. The seller received a quote for repairs to the floor which included supplemental beams, floor joist sisters, and a floor support system. It appears that the items quoted are used to provide additional support to the flooring.

Under Tenn. Code Ann. § 62-13-406(c), there shall be no imputation of knowledge or information among or between clients and agents. However, the facts indicate that the Respondent was aware that the seller had received a quote to provide additional support to the flooring prior to the parties entering a contract.

Counsel recommends that this matter be discussed by the Commission to determine if the Respondent had a duty to report known issues with the flooring or if the disclosure of “uneven floors” was enough to put the Complainant and their client on notice.

**Recommendation: Discuss.**

**Commission Decision: The Commission voted to assess a Five Hundred Dollar (\$500.00) civil penalty for violation of Tenn. Code Ann. § 62-13-403(2).**

**33. 2024050291**

**Opened: 10/7/2024**

**First Licensed: 7/9/2002**

**Expires: 8/10/2025**

**Type of License: Principal Broker**

**History: None**

Complainant is a Tennessee resident and was the neighbor to the seller in a prospective real estate transaction. The Respondent is a Principal Broker.

The complaint stated that in March of 2023 they noticed the sell mowing part of the yard that belonged to them and informed the seller. When the property was listed for sale in August 2024, they notified the Respondent’s firm that a survey should be done. They were told by an Affiliate that any potential buyer would “be advised of the facts.” The Complainant requested a survey and told the Affiliate that the results wouldn’t be back for four to eight months. Around September 5, 2024, they got the results and discovered that a driveway was illegally installed and belonged to them and another neighbor. The Complainant alleges that the Respondent failed to properly disclose the ongoing property dispute.

The Respondent stated that this interaction occurred between their Affiliate and responded on their behalf. They stated that when the property was listed on August 14, 2024, they were unaware of an issue with the driveway, but they told the seller that it would need to be remedied. The driveway issue was not resolved in a timely manner, and on September 12, 2024, the listing was removed. The driveway issue has been corrected.

It should be noted that the Complainant was not a party in the prospective transaction and the only potential buyer that they interacted with didn't go forward with the purchase.

Based on the information provided, there is no indication that the Affiliate failed to notify potential buyers or was aware of the dispute when the property was listed. Once they were aware of the dispute, the Affiliate acted promptly, and the issue was eventually resolved.

Counsel finds Complainant's allegations related failing to properly disclose to be unfounded and recommends that this matter be dismissed.

**Recommendation: Dismiss.**

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

**34. 2024050721**

**Opened: 10/7/2024**

**First Licensed: 4/8/2021**

**Expires: 4/7/2025**

**Type of License: Affiliate Broker**

## **History: None**

The Complainant is a Tennessee resident and prospective seller in a real estate transaction. The Respondent is an Affiliate Broker and represented the Complainant as their agent. The Complainant stated that they initially listed their house for sale as “for sale by owner.” The Respondent contacted them and although were hesitant, they signed an exclusive listing agreement on August 22, 2024. The next day they informed the Respondent that they weren’t sure if they still wanted to sell their property and they only signed the agreement because they felt pressured. They also told the Respondent that they were uncomfortable with the clause regarding compensation. On August 24, 2024, they informed the Respondent that they didn’t want to sell. They believed that they terminated the contract and signed a new listing agreement. They stated that because the Respondent failed to inform them how to terminate the contract, they are being held liable for two listing agreements. The complaint further stated that the Respondent never listed their property or did any promotions.

The Respondent stated on August 22, 2024, the parties met, and the Respondent toured the property that the Complainant intended to list. They signed an agreement, and the plan was for the property to be active on August 29, 2024. They went through the process of listing, marketing strategies, comparable properties, and their compensation. The Complainant was informed that the fees were negotiable. The Respondent denied the claim that they were told by the Complainant that they were no longer interested in selling. They spoke with the Complainant on August 23<sup>rd</sup> and August 24<sup>th</sup> where they discussed the timeline for selling. A photographer was scheduled for August 27<sup>th</sup> but when the photographer tried to call the Complainant, they were unable to get a response.

Both parties attached copies of text messages and various documents. The text messages show that approximately three days after entering an exclusive listing agreement, the Complainant stated that they were no longer interested in working with the Respondent. The Respondent attempted to get additional information since they had a binding agreement but was told to stop contacting the Complainant. The complaint Counsel finds the claim that the Respondent failed to properly list the

property to be unfounded. The Complainant provided contradictory statements when they denied the Respondent permission to list or have photographs taken and believed that they terminated the contract. The Respondent cannot list property without the Complainant's permission.

Based on the information provided, this appears to be a contract dispute, which is outside of the Commission's jurisdiction.

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

**Recommendation: Dismiss.**

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

**35. 2024050751**

**Opened: 10/7/2024**

**First Licensed: 11/5/2020**

**Expires: 11/4/2026**

**Type of License: Affiliate Broker**

**History: None**

The Complainant is an out of state resident and prospective buyer in a real estate transaction. The Respondent is an Affiliate Broker and represented the seller. A tract of land was listed for sale. The complaint states that after the parties entered a binding agreement, they requested 60 days to ensure they could receive a septic permit for the house they intended to build. The request was denied, and they were only given 30 days to request the permit. The Complainant drove to Tennessee to request the permit and view the land. When they arrived, they noticed markers that didn't match the GIS survey lines. The Complainant believes that the markers were

placed to that it could hide the fact that shed belonging to a neighbor was located on the property. The Complainant via their agent terminated the contract due to the boundary issue. Two days later they noticed that the land was listed again. The Complainant alleges that the Respondent intentionally misrepresented the property lines.

The Respondent stated that the seller received an offer on August 16, 2024, and the Complainant requested a 30-day inspection period, 30 days for building permits and 60 days for a septic permit. The Complainant was informed that all inspections needed to be complete within 30 days to ensure that the property wasn't off the market for too long. The Complainant agreed to the 30-day inspection period and the parties entered a binding contract on August 21, 2024. On September 6, 2024, the Complainant first raised an issue with the boundary lines specifically, issues with markers on the property. The Respondent stated that neither they nor the seller placed the markers on the property. They stated that they attempted to locate the metal property pins from the original survey but were only able to find a few. They disclosed in the documents tab of the MLS that it was recommended that a potential buyer should refer to the survey and tax records as a guide. Three days after the boundary concern was raised, they were informed that the Complainant wanted to terminate the contract. A mutual release was signed, and earnest money returned.

Under Tenn. Code Ann. § 62-13-406(c), there shall be no imputation of knowledge or information among or between clients and agents. Here, there is nothing to suggest that the Respondent intentionally misrepresented the boundary lines. Additionally, the Respondent included multiple documents that advise individuals to get a survey prior to buying.

Based on the information provided, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**36. 2024050791**

**Opened: 10/7/2024**

**First Licensed: 3/30/2007**

**Expires: 5/25/2025**

**Type of License: Principal Broker**

**History: None**

**Complaint numbers REC-2024050791 (#36) and REC-2024050741 (#37) are related and refer to the same incident.**

The Complainant is a Principal Broker. The Complainant alleges that the Respondent failed to properly supervise their affiliate in a real estate transaction that resulted in a breach of contract. The Complainant represented a prospective buyer, and the affiliate represented the prospective seller. The complaint alleged that the Respondent failed to take action that would correct the affiliate's mistake and could have avoided a breach of contract. The breach caused the Complainant to lose a commission that was owed and the prospective buyer to lose the property after moving from out of state.

The Respondent stated the affiliate informed them of a situation where the seller initially thought the mortgage payoff amount was correct but after discovering late fees and penalties, the seller realized that the payoff amount was higher than initially believed. The Respondent stated that the affiliate attempted to keep the sale on track. The affiliate offered to reduce their commission and asked the Complainant if they would do the same. The Complainant declined. The Respondent stated that even if the affiliate and the Complainant gave up their commissions, the client still wouldn't have enough funds to close.



Based on the information provided in the related cases, On August 22, 2024, the Respondent was informed by their affiliate that there was an issue with the payoff amount. On August 23, 2024, the Respondent and the Complainant had a conversation via phone, and they discussed the situation. The next day they spoke on the phone again. The Respondent claimed that the Complainant agreed to reduce their commission to \$4,500. On August 26, 2024, the day of closing, the Respondent was informed that the Complainant didn't tell the title company about the reduced commission. The contract was terminated because the seller didn't have enough money. The day after, a mutual release was signed, and the earnest money was returned to the prospective buyer.

After review, it appears that the complaint is based on a contract dispute with additional claims of a disputed commission owed to the Complainant. The Commission does not have authority over these matters. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**37. 2024050741**

**Opened: 10/14/2024**

**First Licensed: 6/17/2020**

**Expires: 6/16/2026**

**Type of License: Affiliate Broker**

**History: None**

**Complaint numbers REC-2024050791 (#36) and REC-2024050741 (#37) are related and refer to the same incident.**

The Complainant is an Affiliate Broker and represented a prospective buyer in a real estate transaction. The Respondent is an Affiliate Broker and represented a

prospective seller. The Complainant alleges that the Respondent willfully misrepresented multiple aspects related to the sale, which caused an economic loss for the prospective buyer. The first misrepresentation occurred when the Respondent aided their client by working with the bank to produce a sale that would avoid a short sale. The second misrepresentation occurred five days before closing when the Respondent stated that they miscalculated the payoff amount needed and would not be able to close. The Complainant stated that the Respondent misrepresented the seller's finances to influence the sale of the property.

The Respondent stated that they received confirmation of the seller's finances via a bank statement from the sell and a call with a bank representative. Based off that information, they provided what they believed to be the correct mortgage. The seller received an offer of \$267,000 and all parties thought it would avoid a short sale. Once the payoff statement was ordered and the title search was completed, it was discovered that there was an additional balance over \$10,500 in interest and penalty fees. They communicated the information to the Complainant and the prospective buyer offered to cover the additional amount at closing but there was still an outstanding balance that their client couldn't cover. The Respondent stated that they believe that they acted in good faith and provided the most accurate information they had available at the time.

Based on the information provided in the related cases, On August 22, 2024, the Respondent's Principal Broker (Principal Broker) was informed by the Respondent that there was an issue with the payoff amount. On August 23, 2024, the Principal Broker and the Complainant had a conversation via phone, and they discussed the situation. The next day the Principal Broker and Complainant spoke on the phone again. The Principal Broker claimed that the Complainant agreed to reduce their commission to \$4,500. On August 26, 2024, the day of closing, the Principal Broker was informed that the Complainant didn't tell the title company about the reduced commission. The contract was terminated because the seller didn't have enough money. The day after, a mutual release was signed, and the earnest money was returned to the prospective buyer.

After review, it appears that the complaint is based on a contract dispute with additional claims of a disputed commission owed to the Complainant. The Commission does not have authority over these matters. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**38. 2024051051**

**Opened: 10/7/2024**

**First Licensed: 3/26/2014**

**Expires: 3/25/2026**

**Type of License: Principal Broker**

**History: 2024 Consent Order for failure to supervise an affiliate due to lapse in affiliate's E&O insurance**

**Complaint numbers REC-2024051051 (#38) and REC-2024051081 (#39) are related and contain identical allegations.**

The Complainant was a prospective buyer in a real estate transaction. The Respondent is a Principal Broker and represented the prospective seller. After a home inspection revealed defects and the seller refused to fully fix the issue, the Complainant terminated the contract. The Complainant alleges that the Respondent re-listed a property after the contract was terminated when there was a dispute about the earnest money that was held in escrow.

The response stated the seller didn't want to sign the earnest money release because they didn't believe that the buyers were acting within good faith when they terminated the contract based on the home inspection finding that the trim above the

window didn't have flashing. However, the release was signed in less than 14 days. Additionally, they stated that once they were informed about the contract termination the Respondent stated that they were free to re-list the property.

A copy of the release, home inspection, and repair amendments were included. On September 8, 2024, the Complainant signed a mutual release. On September 11, 2024, the buyer's agent signed. The buyer signed on September 13<sup>th</sup> and the Respondent on September 19<sup>th</sup>.

Based upon all these facts, the Respondent remitted the earnest money within a reasonable time. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**39. 2024051081**  
**Opened: 10/28/2024**  
**First Licensed: 4/15/2016**  
**Expires: 4/14/2026**  
**Type of License: Affiliate Broker**  
**History: None**

**Complaint numbers REC-2024051051 (#38) and REC-2024051081 (#39) are related and contain identical allegations.**

The Complainant was a prospective buyer in a real estate transaction. The Respondent is an Affiliate Broker.

After a home inspection revealed defects and the seller refused to fully fix the issue, the Complainant terminated the contract. The Complainant alleges that the Respondent's Principal Broker re-listed a property after the contract was terminated when there was a dispute about the earnest money that was held in escrow.

The response stated the seller didn't want to sign the earnest money release because they didn't believe that the buyers were acting within good faith when they terminated the contract based on the home inspection finding that the trim above the window didn't have flashing. However, the release was signed in less than 14 days. Additionally, they stated that once they were informed about the contract termination the Respondent stated that they were free to re-list the property.

It is unclear how the Respondent is involved in the matter, but their name appears on the mutual release form indicating that they are an independent licensee.

Based upon all these facts, the Respondent remitted the earnest money within a reasonable time. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**40. 2024049411**

**Opened: 10/7/2024**

**First Licensed: 5/4/2022**

**Expires: 5/3/2026**

**Type of License: Real Estate Firm**

**History: None**

Complainant is a prospective tenant at an apartment complex. The Respondent is a Real Estate Firm and is the parent company of the apartment complex. The Complainant alleges they applied from an apartment managed but they didn't get a response for four months. When they were contacted, but the room they were interested in wasn't available. A month later, they were told that they signed a binding contract and owe money for a room they didn't live at.

The Respondent provided a brief overview of the application process. The application was for student housing and the process starts months in advance to coincide with the semesters. After an internal investigation, they discovered that there was mistake with the Complainant's lease and it has been resolved.

Based on the information provided, the Respondent is a resident manager who manages an apartment building, meeting the exemption under Tenn. Code Ann. § 62-13-104. Therefore, the Commission does not have authority over this matter. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**41. 2024050231**  
**Opened: 10/14/2024**  
**First Licensed: 12/17/2013**  
**Expires: 12/16/2025**  
**Type of License: Affiliate Broker**  
**History: None**

**Complaint numbers REC-2024050231 (#41) and REC-202405281 (#42) are related and contain identical allegations.**

The Complainant was a prospective buyer in a real estate transaction. The Respondent is an Affiliate Broker and represented the seller. The Complainant alleges that they attended an open house on August 24, 2024. Three days later, they were told that the seller received multiple offers and was given a deadline to submit an offer to be considered. The next day they were told that the property was not available because the seller went with another offer. Around September 5, 2024, the Complainant was told that the property was available again. They submitted another offer and received a counteroffer that was signed. However, they were informed that there was an issue with the contract, and it was withdrawn. The Complainant alleges that the Respondent fraudulently terminated a binding contract.

The Respondent stated that the complaint is based on incorrect information. The Respondent admitted that there was another counter offer however, the seller, via the Respondent, verbally withdrew the counteroffer before the Complainant provided a written response.

Under Tenn. Comp. R. & Regs. 1260-02-.08, an affiliate broker is required to provide a written offer to purchase or sell obtained on a property until a contract is signed by all parties. Once a proper acceptance of an offer to purchase, or any counteroffer, a broker or affiliate broker promptly shall deliver true executed copies of same, signed by the seller, to both the purchaser and the seller.

Based on the information provided, this appears to be a contract dispute to determine if there was proper acceptance of the counteroffer. Counsel recommends this matter be dismissed because the Commission doesn't have authority over contract disputes.

**Recommendation: Dismiss.**

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

**42. 2024050281**

**Opened: 10/14/2024**  
**First Licensed: 12/17/2013**  
**Expires: 12/16/2025**  
**Type of License: Affiliate Broker**  
**History: None**

**Complaint numbers REC-2024050231 (#41) and REC-202405281 (#42) are related and contain identical allegations.**

Complainant is a Real Estate Broker, and their affiliate represented the prospective buyer. The Respondent is an Affiliate Broker and represented the seller. On September 5, 2024, the Complainant's affiliate submitted an offer and received a counteroffer that was signed. The Complainant stated that they didn't receive a withdrawal before the buyer submitted the acceptance to the counteroffer. The complaint alleged that the parties entered a valid agreement.

The Respondent stated that the complaint is based on incorrect information. The Respondent admitted that there was another counter offer however, the seller, via the Respondent, verbally withdrew the counteroffer before the Complainant provided a written response. They stated that although the withdrawal was verbal, the Complainant acknowledged a withdrawal in text messages.

Under Tenn. Comp. R. & Regs. 1260-02-.08, an affiliate broker is required to provide a written offer to purchase or sell obtained on a property until a contract is signed by all parties. Once a proper acceptance of an offer to purchase, or any counteroffer, a broker or affiliate broker promptly shall deliver true executed copies of same, signed by the seller, to both the purchaser and the seller.

Based on the information provided, this appears to be a contract dispute to determine if there was proper acceptance of the counteroffer. Counsel recommends this matter be dismissed because the Commission doesn't have authority over contract disputes.

**Recommendation: Dismiss.**



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

**43. 2024050331**

**Opened: 10/14/2024**

**First Licensed: 7/28/2008**

**Expires: 7/27/2026**

**Type of License: Real Estate Firm**

**History: None**

The was the buyer in a real estate transaction. The Respondent is a Real Estate Firm. The Complainant alleges that the Respondent's affiliate misrepresented a material fact when they stated that the property had natural gas and public sewer when it didn't. The

The Respondent stated that the seller filled out the disclosure related to the utilities. Additionally, the parties signed the purchase and sale agreement that included a disclaimer that that agent is not responsible for verifying the available utilities.

The Complainant submitted a rebuttal stating that the disclosure the Respondent submitted was different than the copy they had. Counsel reviewed both documents and they are the same. The rebuttal also mentioned the listing. However, the listing attached was from a third-party website.

Under Tenn. Code Ann. § 62-13-406(c), there shall be no imputation of knowledge or information among or between clients and agents.

Based on the information provided, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**44. 2024051321**

**Opened: 10/14/2024**

**First Licensed: 6/9/2014**

**Expires: 6/8/2026**

**Type of License: Real Estate Firm**

**History: None**

The Complainant was a buyer in a real estate transaction. The Respondent is a Real Estate Firm. The Complainant alleged that the Respondent's affiliate sold a home with incorrect survey information and based off the survey, they built a fence that had to be moved. The Complainant requested reimbursement for the inconvenience.

After receiving the complaint, the Respondent stated that they were in the process of correcting the issue and the parties had a discussion and have resolved the complaint and the Complainant was reimbursed. The Respondent also stated that the Complainant sent an email asking to withdraw the complaint.

No documentation was provided to show the reimbursement or the request for the complaint to be withdrawn. However, the Complainant requested reimbursement, but the Commission doesn't have the authority to require restitution be paid to them.

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

**Recommendation: Dismiss.**

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

**45. 2024052011**

**Opened: 10/14/2024**

**First Licensed: 3/7/2011**

**Expires: 3/6/2025**

**Type of License: Real Estate Firm**

**History: None**

The Complainant is anonymous. The Respondent is a Real Estate Firm. The complaint states that the Respondent managed three properties for them. The Complainant alleged that the Respondent failed to separate and return deposits in full. They also stated that Respondent deducted their commission from current deposit and prior deposits that they agreed to cover. The complaint included screenshots of text messages.

The Respondent stated that they managed three properties for the Complainant. On August 16, 2024, the Complainant received a formal letter in person notifying them that the Respondent was terminating their property management agreement. Although the contract was set to end on September 16, 2024, the Complainant contacted their tenants around September 1<sup>st</sup>. The Complainant instructed their tenants to pay them directly for the September rent.

After the Complainant collected the rent, it left an outstanding balance that the Respondent was responsible for. The Respondent's attorney advised them to withhold the amount owed from the security deposit. The Respondent denied

comingling funds. They attached copies of bank statements for the escrow account for the properties managed.

Based on the information provided, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**46. 2024051441**  
**Opened: 10/21/2024**  
**First Licensed: 5/17/2019**  
**Expires: 5/16/2025**  
**Type of License: Affiliate Broker**  
**History: None**

The Complainant is a homeowner and prospective buyer in a real estate transaction. The Respondent is an Affiliate Broker. The Complainant stated that they had a showing scheduled from 1:00- 1:30 pm. They arrived outside their property early, so they waited at the end of the street. The prospective buyer left the property around 1:45 pm. The Complainant noticed that the Respondent wasn't there. The Complainant alleges that the Respondent provided their client with code to the lock box and allowed individuals into their property without supervision.

The Respondent stated that on the day of the incident, they scheduled a showing for their client, who is also a family member, but they had a family emergency. They told their client that they needed to reschedule. The client was insistent on getting access since they travelled over an hour to view the property. The Respondent provided the access information. The Respondent stated that this is the first time they've done anything like this in their career.

Based on the information provided and the Respondent's admission, the Respondent failed to exercise reasonable skill in care. Counsel recommends that this Respondent be assessed a civil penalty of Five Hundred Dollars (\$500.00).

**Recommendation: Assess a Civil Penalty of Five Hundred Dollars (\$500.00) for failing to exercise reasonable skill and care, in violation of Tenn. Code Ann. § 62-13-403(1).**

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

**47. 2024052681**

**Opened: 10/28/2024**

**First Licensed: 5/16/2019**

**Expires: 5/15/2025**

**Type of License: Affiliate Broker**

**History: None**

The Complainant is a homeowner and was a prospective seller in a real estate transaction. The Respondent is an Affiliate Broker and represented a prospective buyer. The complaint states that the buyer was scheduled for a showing. While the buyer was on the property, they went into a fence and entered their garage, without permission. The Complainant alleges that the Respondent allowed their client trespass on their private property.

The Respondent stated that the prior to the scheduled walk through, the Respondent received permission from the Complainant to have their client park their motorcycle in the garage. After the walk-through, the parties left the property. At some point, the client went to retrieve the motorcycle and Complainant contacted the Respondent. The Respondent stated that the client may have changed their mind about leaving the motorcycle in an unlocked and unattended garage. They denied that their client entered a fenced in area. However, the transaction was terminated because they didn't believe that the Complainant was honest about the condition of the house and discovered multiple issues during the walk-through. The Respondent attached text messages between the Complainant and Respondent and pictures of the garage.

The Complainant provided a rebuttal and stated that the pictures were inaccurate because the door to the garage was located behind a fence and the client “jumped the fence” to gain access.

The response was a bit confusing about how long the motorcycle was in the garage or how access was given, but it appears that the client placed their motorcycle in the garage before the walkthrough and intended to keep it there until closing. The text messages indicate that the Complainant gave permission to park the motorcycle in the garage. The pictures from the Respondent show the right side of a detached garage. The pictures in the rebuttal are from the right side and show a waist high wooden fence. The garage and the side door are separated by the fence but if the garage were opened, they could access it without entering the side door.

Counsel finds Complainant’s allegations related to the Respondent providing unauthorized access to the garage to be unfounded because explicit permission was given. Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**48. 2024052921**

**Opened: 10/28/2024**

**First Licensed: 10/28/2009**

**Expires: 10/27/2025**

**Type of License: Affiliate Broker**

**History: None**

The Complainant is a Tennessee resident and buyer in a real estate transaction. The Respondent is an Affiliate Broker. The complaint stated that they entered a binding contract on August 3, 2024, and provided the earnest money five days later. Before the contract was executed, they were informed that there was a squatter living on the

property, but they'd be gone before closing. On August 12, 2024, the home inspection was scheduled but the inspector was unable to get access because the individuals were inside the home. They were also told that there were no utilities or water in the home, so the inspection couldn't be performed. On August 20, 2024, the Complainant was told that the individuals would not be out of the house by the closing date. The parties were set to close on September 4, 2024. They agreed to change the closing date to September 16<sup>th</sup> and included a provision that stated that the seller was responsible to removing the tenant and their personal belongings. The Complainant received another notification that the individuals were still at the property and were being evicted. The closing date was moved to September 20<sup>th</sup>. The day before closing their agent informed them that the individual left and was told by law enforcement to not come back to the property. The day of closing they proceeded with the closing and turned on the utilities and water for that day. They went to the property and discovered that the individual was still there and had an eviction notice for October 24<sup>th</sup>. The Complainant alleges that the Respondent made fraudulent and misleading statements regarding the vacancy of the property.

The Respondent stated that the individual in question was the Seller's son, and they were told that they would be gone by the closing date in the comments section (only viewable by the Complainant's agent). Additionally, the utilities were shut off so they believed that the individual would be out of the property. They acknowledged the various closing dates but maintains that they properly communicated and worked to resolve the issue. The seller served the individual an eviction notice, and the individual was supposed to be gone by September 16<sup>th</sup>. When the police came to the property on September 19<sup>th</sup>, but they refused to remove them before the court date. The Respondent was unaware that the individual returned to the property. The Respondent denied making any fraudulent or misleading information. They also stated that the buyer always runs the risk of individuals who won't vacate and it's outside of their duties to force anyone out.

Based on the information provided, there was an agreement after the first amendment to change the closing date that the seller would be responsible for ensuring the individual moved out. Additionally, evictions typically take 30 days to become enforceable, unless the individual leaves earlier. Based on the October eviction date, it appears that the seller didn't serve them until September.

Based upon all these facts, Counsel recommends that this matter be discussed by the Commission to determine the duties of the Respondent. Counsel believes that the Respondent failed to exercise reasonable skill and care, in violation of Tenn. Code Ann. § 62-13-403(1); failed to disclose any adverse facts that the Respondent had actual notice or knowledge, in violation of Tenn. Code Ann. § 62-13-403(2); and/ or made substantial and willful misrepresentations, in violation of Tenn. Code Ann. § 62-13-312(b)(1)

**Recommendation: Discuss.**

**Commission Decision: The Commission voted to dismiss the complaint.**

**49. 2024053381**

**Opened: 10/28/2024**

**First Licensed: 7/9/2003**

**Expires: 4/29/2026**

**Type of License: Affiliate Broker**

**History: None**

Complainant is an out of state resident and was a prospective buyer in a real estate transaction. The Respondent is an Affiliate Broker and represented the seller. The complaint alleged that they attempted to purchase a property that the Respondent listed. They were told that they were not their offers wouldn't be presented to the seller because they weren't acceptable and didn't want to waste their time. The Complainant alleges after their offer was finally accepted; the transaction was terminated after the home inspection. They claim that the Respondent failed to return their earnest money.

Respondent stated the allegations in the complaint are false. They stated that they only communicated with the Complainant's agent, and they presented every offer that they received to the seller. The parties entered a binding agreement on August 28<sup>th</sup>. The Respondent claimed that the Complainant requested that the roof be replaced with a "Duralock standing seam metal roof." The Complainant also requested other repairs and the seller believed that the Complainant was not acting



in good faith. The earnest money was held by a title company. The Complainant requested a release on September 11, 2024, but they didn't hear anything until September 20, 2024, and it was signed that day. The Complainant signed the release on September 26<sup>th</sup> and the money was released. The Respondent included a transcript of the text messages from the Respondent and the Complaint's agent.

Based on the information provided, it appears that the earnest money was returned in a timely manner. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**50. 2024039731**

**Opened: 8/20/2024**

**First Licensed: 11/27/2019**

**Expires: 4/9/2026**

**Type of License: VLS Designated Agent**

**History: None**

**Complaint REC-2024039731 (#50) and Complaint REC-2024048811 (#51) are related and contain identical allegations.**

This complaint was administratively opened and is related to REC-2024013811, which was presented during the June 2024 legal report. The related complaint was dismissed to open a case against the proper respondent.

Complainant is an out of state resident. The Respondent is a VLS Designated Agent. The Complainant alleges that the Respondent failed to remit money in the amount of \$2,776.52 that was owed to them. The complaint stated that the Respondent breached their contract and has not provided the proper documentation.

Respondent didn't provide a response. The complaint sent to the Respondent was returned as undelivered. However, notice was delivered to the address listed in CORE.

Counsel recommends this Respondent be assessed a civil penalty of One Thousand Dollars (\$1,000.00) for failing to respond, in violation of Tenn. Code Ann. § 62-13-313.

**Recommendation: Assess the Respondent a civil penalty of One Thousand Dollars (\$1,000.00) for failing to respond, in violation of Tenn. Code Ann. § 62-13-313.**

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

**51. 2024048811**

**Opened: 10/28/2024**

**First Licensed: 3/29/2019**

**Expires: 3/28/2025**

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

**History: None**

**Complaint REC-2024039731 (#50) and Complaint REC-2024048811 (#51) are related and contain identical allegations.**

This complaint was administratively opened and is related to REC-2024013811, which was presented during the June 2024 legal report. The related complaint was dismissed to open a case against the proper respondent.

In the initial complaint, the Complainant was an out of state resident. The Complainant alleged that the Respondent breached their contract for failure to pay money owed, provide monthly statements, and not providing necessary information.

The Respondent in this matter didn't submit a formal response to the complaint and asked via email if the Commission received the previous documents they submitted.

Since this is a separate complaint, the Respondent was required to submit a response, even if they were resubmitting the same one. Counsel find that the Respondent didn't provide a response in violation of Tenn. Code Ann. § 62-13-313(a)(2).

**Recommendation: Assess the Respondent a Civil Penalty of One Thousand Dollars (\$1,000.00) for failing to provide a response in violation of Tenn. Code Ann. § 62-13-313.**

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

**TIMESHARES:**

**52. 2024049431**

**Opened: 10/7/2024**

**First Licensed: 3/12/2018**

**Expires: 3/11/2020 (Expired, Active)**

**Type of License: Time Share Salesperson**

**History: None**

Complainant is an out of state resident. The Complainant stated that they purchased a timeshare, which was sold by the Respondent. The timeshare has become a financial burden. The complaint alleges that the Respondent engaged in deceptive tactics.

The Respondent firm confirmed via email that they received the complaint but could not locate the Complainant's contract. The firm stated that they would provide a formal response once the contract was found. To date, the formal response has not been received.

It is unknown when the contract for the timeshare was entered by the parties, but it is likely past the rescission period. The Complaint didn't include any information regarding the false claims made by the Respondent. However, the Respondent's license expired March of 2020 but engaged in timeshare sales. Therefore, the Complainant is engaged in unlicensed activity.

Counsel recommends that this Respondent be assessed a civil penalty of One Thousand Dollars (\$1,000.00) for engaging in unlicensed activity in violation of Tenn. Code Ann. And open an administrative complaint against the Respondent's firm for employing an unlicensed individual.

**Recommendation: Assess the Respondent 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 Respondent's firm for employing an unlicensed individual.**

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

**53. 2024050371**

**Opened: 10/14/2024**

**First Licensed: 8/23/2017**

**Expires: N/A**

**Type of License: Time Share Registration**

**History: None**

Complainant is an out of state resident. The Complainant entered a contract with Respondent in March of 2021. The Complainant stated that they were told that they

could use points to book vacations. They also stated that the Respondent misrepresented the truth to get them to sign a contract.

The Respondent's attorney responded on the Respondent's behalf ("Representative"). The Representative stated that Complainant has been an owner since March 27, 2021. The purchase allowed the Complainant to use points to book vacations. The Complainant has another contract, and the points don't combine. The request to cancel the contract was denied.

Based on the information provided, Complainant is outside of the rescission period.

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

**Recommendation: Dismiss.**

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

**54. 2024052031**

**Opened: 10/28/2024**

**First Licensed: 8/23/2017**

**Expires: N/A**

**Type of License: Time Share Registration**

**History: None**

Complainant is an out of state. The Complainant stated that the Respondent told them that they could combine contracts to reduce their payments. They were told that there would be no maintenance fees or interest. They stated that they attended a presentation that lasted over four (4) hours. Once they signed the contract, the agent switched, and they were overcharged and the maintenance and interest fees. They stated that they are elderly and feel like they were taken advantage of.

The Respondent's attorney responded on the Respondent's behalf ("Representative"). The Representative stated that Complainant has been an owner since 2021 and upgraded their contract in 2022. They stated that they disclosed all information regarding the agreement and was signed by all parties.

Based on the information provided, Complainant is outside of the rescission period. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

### **CASES TO BE REPRESENTED**

**55. 2023033861**

**Opened: 7/31/2023**

**First Licensed: 4/27/2000**

**Expires: 11/27/2026**

**Type of License: Principal Broker**

**History: None**

Complainant is a Tennessee resident. Complainant entered an agreement for Respondent to list and sell their property. Respondent is a Principal Broker. Complainant alleges that after signing an Exclusive Representation Agreement ("Agreement") with Respondent, Respondent failed to show the property or get any leads for potential buyers. Complainant asked Respondent to post an ad on social media and afterwards they received multiple leads. Complainant stated that she asked Respondent to release them from the Agreement and Respondent agreed. However, after the release, the leads stopped communicating with Complainant and they believe Respondent had something to do with it. Complainant also stated that Respondent posted disparaging remarks about them online asked that Respondent remove any of the post made.

Respondent's Principal Broker responded on Respondent's behalf. Respondent denies engaging in unethical behavior and tried to work with the Complainant to sell their home, but they were very difficult. Respondent stated the Complainant wouldn't allow showings of the property unless they were present, and it was difficult to schedule showings. Respondent stated that Complainant wouldn't allow them to come to the property to take pictures.

Counsel reviewed the online post that appears to be made by Respondent and contains statements that may lead a prospective buyer or agent from wanting to work with the Complainant. Counsel believes an advertising violation of T.C.A. § 62-13-312(b)(1) occurred when Respondent made a substantial misrepresentation regarding the Complainant on a public listing site. Counsel also believes Respondent failed to uphold their duty to their client by disclosing information regarding the Complainant in the advertisement that they only would have obtained after working with Complainant.

Counsel recommends that this matter be discussed.

**Recommendation: Discuss.**

**Commission Decision: The Commission voted to issue a Consent Order with a One Thousand Dollar (\$1,000.00) civil penalty for violation of T.C.A. § 62-13-312(b)(1) and a One Thousand Dollar (\$1,000.00) T.C.A. § 62-13-403(1). Additionally, the Commission voted to require Respondent complete a three (3) hour course in ethics within one hundred eighty days (180) above and beyond the required continuing education.**

**New Information: In preparation of formal charges, the Complainant indicated that they were not willing to participate in litigation. Since the Complainant's testimony is necessary for a successful case, Counsel recommends that this matter be closed and flag the Respondent to ensure continued professionalism.**

**New Recommendation: Close and flag.**

**New Commission Decision: The Commission voted to issue Respondent a Letter of Warning.**

**COMMISSION DISCUSSION**

Executive Director Baker announced that the next Commission meeting will be February 11, 2025.

**MEETING ADJOURNED AT 11:20AM**