



**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 January 10, 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 Stacie Torbett, Commissioner Joe Begley, and Commissioner Kathy Tucker. Commissioner Jon Moffett, and Commissioner Michael Gaughan were 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, Education Director Ross White, and TREC staff member Aaron Smith.

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

The motion to approve the January 10, 2024, agenda was made by Vice-Chair Farris and seconded by Commissioner Smith. The motion passed 6-0 with Commissioner Begley absent from the vote.

The December 6, 2023, Commission meeting minutes were submitted for approval.

The motion to approve the December 6, 2023, minutes was made by Commissioner Smith and seconded by Commissioner Torbett. The motion passed 6-0 with Commissioner Begley absent from the vote.

### **INFORMAL APPEARANCE**

Samantha Anderson appeared before the Commission with her Principal Broker, Cheryl Sommerville, to receive approval for her Affiliate Broker license.

The motion to approve Samantha Anderson was made by Commissioner Torbett and seconded by Commissioner Tucker. The motion carried unanimously.

Christian Monday appeared before the Commission with his Principal Broker, Mark Goodson, to receive approval for his Timeshare Salesperson license.

The motion to approve Christian Monday was made by Commissioner Guinn and seconded by Commissioner Tucker. The motion carried unanimously.

Scott Neumann appeared before the Commission with his Principal Broker, Matt Gann, to receive approval for his Affiliate Broker license.

The motion to approve Scott Neumann was made by Commissioner Torbett and seconded by Commissioner Smith. The motion carried unanimously.

### **WAIVER REQUEST**

Executive Director Denise Baker presented Basil Adam Airmann to the Commission seeking a medical waiver for fees.

The motion to approve the waiver was made by Vice-Chair Farris and seconded by Commissioner Torbett. The motion carried unanimously.

### **EDUCATION REPORT**

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

The motion to approve courses J1-J49 was made by Vice-Chairman Farris and seconded by Commissioner Tucker. The motion passed unanimously.

Education Director Ross White presented the Instructor Bios for approval.

The motion to approve the Instructors Bios was made by Commissioner Torbett and seconded by Commissioner Smith. The motion passed unanimously

### **EXECUTIVE DIRECTOR'S REPORT**

Executive Director Denise Baker updated the Commission on the topics below.

**PSI Reporting Numbers** – The Commission was advised that corrected reporting numbers from 2021 through December 2023 were present in their information packet, and on their iPads. Additionally, Executive Director Baker, advised that Tennessee is nearing 50K active licensees.

**ARELLO Mid-Year Conference** – Executive Director Baker advised staff would be attending the ARELLO Mid-Year Conference to be held in New Orleans, LA on April 16-18<sup>th</sup>.

**TR (Tennessee Association of REALTORS®)** – The Commission was advised of the request from TR to participate in the TNEX Summit Panel on February 20, 2024.

**TREC Auditor** – Executive Director Denise Baker advised audits would be forthcoming within 30-60 days.

**March 2024 TREC Meeting** – Executive Director Baker revisited the potential of canceling the March meeting and merging it into the April meeting. A roll-call vote was initiated. The motion was made by Commissioner Begley and seconded by Vice-Chair Farris. The motion passed unanimously. Therefore, the March meeting is cancelled.

**West TN TREC Meeting**—Executive Director Baker advised the Commission would travel to Memphis for the West TN meeting in May of 2024. Chairman Geoff Diaz has been in contact with MAAR (Memphis Area Association of REALTORS) as a host of the meeting.

### **LEGAL SECTION:**

**ALJ Alone Cases**-- The Commission discussed and approved delegating cases for violations of Tenn. Code Ann. § 62-13-313(a)(2), or when a licensee fails to respond

to a complaint, to an administrative law judge sitting alone. Therefore, when a Respondent fails to respond to a consent order, or declines to accept the consent order's informal settlement, and the matter must proceed to a contested case proceeding/formal hearing, those matters will be heard by an administrative law judge sitting alone on behalf of the Commission.

### **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: **2023054671, 2023056971, 2023056331, 2021057561, 2022047941, 2023046271, 2023043931, 2023043891, 2023046991, 2023052771, 2023048701, 2023056441, 2023058561, 2023056771, and 2022033091.**

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

After further discussion by the Commission on complaint 2023054671, Commissioner Guinn motioned **to accept the Counsel's recommendation.** Commissioner Tucker seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023056971, Vice-Chair Farris motioned **to assess a Five Hundred Dollar (\$500.00) civil penalty.** Commissioner Guinn seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023056331, Commissioner Torbett motioned **to accept the Counsel's recommendation.** and Commissioner Smith seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023057561, Commissioner Smith motioned **to reinstate the Two Hundred Dollar (\$200.00) civil penalty,** and Commissioner Tucker seconded the motion. The motion carried 6-1 with Vice-Chair Farris voting no.

After further discussion by the Commission on complaint 2023047941, Vice-Chairman Farris motioned **to accept the Counsel's recommendation,** and

Commissioner Guinn seconded the motion. The motion was carried 6-1 with Chairman Diaz voting no.

After further discussion by the Commission on complaint 2023046271, Vice-Chair Farris motioned **to accept the Counsel's recommendation**. Commissioner Begley seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023043931, Commissioner Torbett motioned **to accept the Counsel's recommendation**, and Commissioner Begley seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023043891, Commissioner Begley motioned **to accept the Counsel's recommendation and to include licensing specifications and a deadline to meet the specifications within forty-five (45) days**, and Vice-Chair Farris seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023046991, Commissioner Begley motioned **to defer this matter to the February meeting for counsel to gather additional information regarding the contract and the type of deed**. and Commissioner Torbett seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023052771, Commissioner Guinn motioned **to dismiss the complaint**. Commissioner Tucker seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023048701, Commissioner Torbett motioned **to issue a Consent Order to Respondent with a One Thousand Dollar (\$1,000.00) civil penalty for failure to respond**, and Commissioner Smith seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023056441, Commissioner Smith motioned **to accept the Counsel's recommendation**, and Commissioner Torbett seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023058561, Vice-Chair Farris motioned **to assess a One Thousand Dollar (\$1,000.00) civil penalty and to require four (4) hours of education in Contract to be completed in one hundred eighty (180) days above and beyond the continuing education requirements**.

**Further, the Commission assessed a six (6) hour CORE course to be completed within one hundred eighty (180) days, with this course permitted to count toward Respondent’s continuing education,** and Commissioner Tucker seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023056771, Vice-Chair Farris motioned **to accept the Counsel’s recommendation,** and Commissioner Guinn seconded the motion. The motion carried unanimously.

After further discussion by the Commission on complaint 2023033091, Commissioner Torbett motioned **to accept the Counsel’s recommendation,** and Commissioner Smith seconded the motion. The motion carried unanimously.

**Kim Cooper**  
**New Complaints:**

1. **2023040741**  
**Opened: 10/2/2023**  
**Unlicensed**  
**History: None**

Complainant alleged that Respondent was acting as an unlicensed property management company specifically providing corporate housing services.

Respondent’s attorney provided a response denying unlicensed activity. Respondent acts as an online platform for property owners to post their rental properties. They make clear that in providing this service, they do not “own, control or offer to manage any properties.” The Respondent is not a broker and does not purport to be one. There is insufficient evidence of a violation of Commission Rules or the *Broker Act*.

**Recommendation: Dismiss.**

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

2. **2023044331**  
**Opened: 10/9/2023**  
**Unlicensed**  
**History: None**

Complainant is anonymous, Respondent is a limited liability company and property owner. Complainant alleged that Respondent was acting as an unlicensed property manager in violation of Tenn. Code Ann. § 62-13-103. Complainant provided copies of social media posts by Respondent that stated: “My real estate company (NAME) is hiring”.

Respondent provided a response through their attorney, denying unlicensed activity. Respondent is a limited liability company owned by a sole member. Respondent is exempt from the licensing requirement pursuant to Tenn. Code Ann. §§ 62-13-104(a)(1)(A) & 62-13-104(a)(1)(E) as it owns the properties that are leased, and its employees engage in duties that are akin to resident management duties.

**Recommendation:       Dismiss.**

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

- 3.   **2023048501**
  - Opened: 10/9/2023**
  - First Licensed: 3/16/2005**
  - Expires: 9/23/2024**
  - Type of License: Real Estate Firm**
  - History: None**

Complainant is the adult child (“AC”) of seller of property, Respondent was the seller’s agent. AC alleges that in 2017 Respondent took advantage of Parent, unethically conducted a “short sale” of the home and sold it for much less than it was worth, and tricked Parent into purchasing another home they could not afford. AC believes that Respondent’s actions caused undue stress and debt to Parent, and that after Parent passed away and left their home to AC, AC learned that Parent did not own the property outright and that Respondent was therefore responsible for taking two of Parent’s properties. AC asks that the home be returned to the family or that the money that was made from selling the second property be “reimbursed” to AC.

Respondent denied the allegations, and provided a lengthy response detailing a complicated and unfortunate family situation that Respondent alleges was exacerbated by Complainant’s interference in Seller’s attempts to sell their home. Counsel reviewed the file provided by Respondent and it is clear Respondent acted

with due care towards their client, and that client in this transaction was not Complainant. Additionally, this complaint was filed years after the two-year statute of limitations set forth in Tenn. Code Ann. § 62-13-313(e)(1).

**Recommendation: Dismiss.**

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

4. **2023049341**

**Opened: 10/19/2023**

**First Licensed: 3/3/2015**

**Expires: 3/2/2023 (Expired)**

**Type of License: Real Estate Firm**

**History: 2017 Consent Order for Advertising Violation**

Complainant was the buyer of a home; Respondent was Complainant's agent. Complainant alleges that approximately three weeks after closing and moving into the home, there was a leak that resulted in widespread damage to the home including sewage accumulating in the crawl space, making the home unlivable. Complainant states that repairs were supposed to have been made prior to closing, and that Respondent failed to ensure the repairs were properly made leading to the damage of their home. Complainant alleges that Respondent has ignored Complainant's requests for help and was told "to fix the problem myself."

Respondent provided a timeline of their representation of Complainant leading to the purchase of the home. The Complainant selected the inspection company, and the inspection report was provided to the Complainant and Respondent; Respondent also attached a copy to their response. There is no mention of plumbing issues, and no leaks or cracks were present. A final inspection was done a week before closing and an active water leak was found at that time in the kitchen. An extension of closing and a repair amendment was executed, and the repairs were made. The same inspector reported to Complainant that the repairs were done and there was no further plumbing issues noted. Once notified by Complainant that there was a sewage leak, Respondent noted that since there appeared to be no issues with the wastewater pipes, there were no repairs that would have led to the issues Complainant was



having after they moved into the home. Complainant was insistent that the repairs done by seller lead to the sewage leak. Based on the documents provided there is no evidence that Respondent knew or should have known that the plumbing problem existed or if it even did exist prior to the closing. However, Respondent's license was expired during the entirety of the transaction, and as of the date of this report is still expired.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for unlicensed activity pursuant to Tenn. Code Ann. § 62-13-301.**

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

5. **2023053641**  
**Opened: 10/30/2023**  
**First Licensed: 6/2/2008**  
**Expires: 6/1/2024**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant was a potential buyer of property listed by the Respondent. Complainant provided a copy of the MLS listing and alleged that the listing contained false and misleading statements regarding the property in violation of Tenn. Comp. R. & Regs. 1260-02.12(5)(c). Complainant alleged the advertisement was misleading due to the following: the property was not perked for two homesites as advertised but instead had two perks for a 5 bedroom homesite; that the land could possibly be subdivided when in fact that was not currently allowed by county zoning; and that the property backed up to a large wooded property that was unlikely to be developed further when it in fact was separated from that property by another tract of land. Complainant also provided a screenshot of an "unprofessional" text message from Respondent to their agent where Respondent claimed the Complainant's offer was a "waste of time" and laughed.

Respondent and Respondent's principal broker both provided a response to the complaint. Respondent stated that the Complainant was familiar with the property since they were the adjacent landowner and acknowledged that the initial listing incorrectly stated that the property was perked for two homes instead of having two perk sites for a five-bedroom home, and that the listing was corrected within minutes

of the error being pointed out to Respondent. The nearby mostly undeveloped property was within approximately 300 feet of the listed property, and out of an abundance of caution Respondent updated the listing to make that clear. Regarding the possible subdivision of the property, Respondent stated that it was a possibility and that they had confirmed that with the county zoning office on two occasions. Finally, the text message was indeed a response to the Complainant's offer made as part of a longer cordial conversation with the buyer's agent, and Respondent believes was the real reason that Complainant filed the complaint. Respondent stated that Complainant had previously approached the Seller of the property and offered to purchase it when Seller was ready to sell, and then was surprised that not only did Seller obtain an agent before offering Complainant the first right of refusal on the property but that it was listed for more than Complainant was willing to pay. While Complainant's dissatisfaction for their offer being refused may be the reason the complaint was filed, there were nevertheless inaccuracies in the initial listing that was active for almost three days before Respondent was made aware of them and corrected the listing.

**Recommendation: Five Hundred Dollar (\$500.00) civil penalty for listing not being "current and accurate" in violation of Tenn. Comp. R. & Regs. 1260-02.12(5)(c).**

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

6. **2023053751**  
**Opened: 10/30/2023**  
**First Licensed: 8/22/1978**  
**Expires: 9/1/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant was the purchaser in May 2023 of commercial property that was previously used as a car dealership; Respondent was the listing agent for Seller. Per the terms of the Purchase and Sale Agreement, Seller was supposed to remove all remaining vehicles within 45 days of closing. Complainant contacted Seller, their own agent, and Respondent in July and again in October asking for Seller to "vacate the property" and remove several vehicles still on the property. Seller failed to do

so, and Complainant alleges that it is Respondent that is in violation of the sales contract.

Respondent denied any wrongdoing. Respondent advised Complainant to contact their own legal counsel to address any remaining contractual issues with Seller. There is no evidence of a violation of the Commission Rules or the *Broker Act*.

**Recommendation: Dismiss**

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

7. **2023048081**  
**Opened: 10/30/2023**  
**First Licensed: 9/8/2014**  
**Expires: 9/7/2024**  
**Type of License: Real Estate Firm**  
**History: None**

Complainant is a former affiliate broker with Respondent's firm. Complainant alleges that Respondent allows and, in some instances, has encouraged its affiliates to engage in discrimination against potential customers. Complainant did not provide details of specific incidents.

Respondent's attorney ("RA") answered on behalf of Respondent and denied any wrongdoing. Respondent provided copies of their employment agreement and employment manual that prohibits any discrimination based on race or gender, and provided a copy of Complainant's resignation letter wherein Complainant thanked Respondent for their years at the firm and wished them well.

Based on the limited information provided there is insufficient evidence at this time of a violation of Commission Rules or the *Broker Act*. Because of the nature of the complaint, it has been forwarded to the Tennessee Human Rights Commission for their review.

**Recommendation: Dismiss.**

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

8. **2023051251**  
**Opened: 10/30/2023**  
**First Licensed: 10/5/2022**  
**Expires: 10/4/2024**  
**Type of License: Real Estate Firm**  
**History: None**

Complainant is a tenant of a home; Respondent is the property manager. Complainant alleges mismanagement, specifically that mold was present when the home was leased in January 2023 and that Respondent has not taken any steps to address the unsafe conditions in the home. Complainant asked for reimbursement of rent paid from January 2023 through August 2023 and termination of their lease. Complainant seems to be alleging that Respondent has failed to exercise reasonable skill and care in providing services to Complainant in violation of Tenn. Code Ann. § 62-13-403(1).

Respondent stated they were notified by Complainant on August 20, 2023, that the Complainant found mold in the home and have worked with the property owner to address the issue. Respondent provided a timeline starting on August 24, 2023, of repairs and duct cleaning that have been done since the complaint was made by the tenant, and that response was provided to Complainant. Complainant was advised they could provide additional information if desired and have not done so. Based on the information provided there is insufficient evidence of a violation of the *Broker Act* or Commission rules.

**Recommendation: Dismiss.**

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

9. **2023054561**  
**Opened: 11/6/2023**  
**First Licensed: 7/6/2017**  
**Expires: 7/5/2025**

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

Complainant was buyer's agent and Respondent was the seller's agent. Complainant's clients made an offer on Seller's property, and Complainant alleges that Respondent rejected the offer without presenting it timely to Seller; and that Respondent allowed their personal animus towards Complainant's firm to "poison the well" during negotiations to the Seller's detriment in violation of Tenn. Code Ann. § 62-13-404(2) which requires licensees to "place the interests of the client before all others in negotiation of a transaction."

Respondent denied the allegations and stated they presented all offers timely to Seller. Respondent provided copies of text messages and the multiple counteroffers demonstrating there were ongoing conversations between Respondent and Complainant at the same time Respondent was advised by Seller that they would counter Complainant's offer that included repairs with an "As-Is" purchase offer, which was consistent with the listing for the property.

Counsel noted that the property did close in November 2023 for the same amount offered by Complainant's clients but on an "As-Is" basis. Based on the information provided there is insufficient evidence of a violation of the *Broker Act* or Commission rules.

**Recommendation: Dismiss.**

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

10. **2023055231**

**Opened: 11/6/2023**

**First Licensed: 9/10/2019**

**Expires: 9/9/2025**

**Type of License: Affiliate Broker**

**History: 2023 Letter of Warning for failure to exercise reasonable skill and care**

Complainant is a family member of a buyer; Respondent was the buyer's agent. Complainant alleges that they referred their cousin to Respondent believing that Respondent would help Cousin find a home that would be closer to Complainant so

that Complainant could help take care of Cousin. Complainant alleges that Respondent then took advantage of Cousin, pushing them to purchase a home Cousin could not afford and moved the closing date up to make it more difficult for Cousin to change their mind about purchasing the home. Complainant alleges fraud and unethical treatment.

Respondent denied all allegations, and believes the complaint is the result of various personal conflicts within Complainant and Cousin's family. Respondent provided the names and contact numbers of Cousin and several family members who participated in Cousin's home search along with people present at the closing. Complainant was provided an opportunity to rebut the Respondent's statement or provide additional information and has declined to do so. Based on the information provided there is insufficient evidence of a violation of the Rules or *Broker Act*.

**Recommendation: Dismiss.**

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

11. **2023045951**  
**Opened: 11/6/2023**  
**Unlicensed**  
**History: None**

Complainant alleged that Respondent was operating as an unlicensed vacation lodging service. Respondent's attorney responded on Respondent's behalf. Attorney stated that Respondent was notified of the complainant on or about September 20 and immediately contacted legal counsel to "determine what steps they needed to take to come into compliance with Tennessee law." Respondent obtained their VLS license and the Designated Agent license on October 10, 2023.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for unlicensed activity as a vacation lodging service firm in violation of Tenn. Code Ann. § 62-13-104(b)(2).**

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

12. **2023054671**  
**Opened: 11/14/2023**

**First Licensed: 8/4/2005**

**Expires: 7/17/2025**

**Type of License: Principal Broker**

**History: 2010 Agreed Order for failure to maintain E&O insurance; 2015 Consent Order for multiple violations of giving or charging any undisclosed commission, rebate, compensation or profit or expenditures for a principal and also multiple violations for improper, fraudulent, or dishonest dealing; 2019 Consent Order for failure to supervise an affiliate's actions**

Complainant is a certified public accountant; Respondent is a licensee. Complainant was contacted by another CPA regarding Respondent after Respondent submitted an individual tax return for the year 2021 to that CPA in response to a request for prior years' returns. Complainant and CPA both had concerns because the return noted Complainant's company name as the preparer; however, the employee who allegedly prepared the return had retired years earlier, there were several errors on the return that would be obvious to a CPA; and the only time that Respondent engaged Complainant's services was in 2015. Complainant was concerned that Respondent was engaging in fraud, as the purpose of the documentation was to secure financing to purchase property, and so felt duty-bound to notify the Commission.

Respondent denied any wrongdoing and apologized for the confusion. Respondent stated that the tax return was "self-prepared and copied from a previous year. The return was not filed with the IRS...this return was only a draft for a new CPA."

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

**Recommendation: Dismiss and refer to Internal Revenue Service.**

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

13. **2023056531**

**Opened: 11/20/2023**

**First Licensed: 8/29/1984**

**Expires: 3/31/2024**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a contractor; Respondent is a licensee. Complainant alleges that Respondent “knew” that their adult child (“AC”), also a licensee, was acting unethically; owed money to Complainant; and “knew” that AC sold a house with a debt outstanding to Complainant without settling that debt. Complainant alleges that Respondent “aided and abetted” AC in committing fraud. Complainant does not allege that they had any agency agreement with Respondent in any capacity but believes Respondent should be disciplined for the actions of a family member/licensee.

Respondent stated that they were not involved with the property or transaction referenced by the Complainant and have no relation to AC’s business or that of the previous or current owners. Complainant has not provided any proof to the contrary.

**Recommendation: Dismiss.**

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

- 14. **2023056541**  
**Opened: 11/20/2023**  
**First Licensed: 1/26/2022**  
**Expires: 1/25/2024**  
**Type of License: Affiliate Broker**  
**History: None**

This complaint is related to REC # 2023056531. Respondent is a licensee and the sibling of AC referenced above. For the reasons stated previously, Counsel recommends dismissal.

**Recommendation: Dismiss.**

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

- 15. **2023056971**  
**Opened: 11/20/2023**  
**First Licensed: 1/24/2002**  
**Expires: 3/24/2024**  
**Type of License: Principal Broker**



## **History: None**

This is an administratively opened complaint for failure to supervise was opened because of a civil penalty recommended at the Commission's September meeting for an affiliate broker under Respondent's supervision. From September's legal report regarding the underlying transaction:

"Complainant was the seller's agent and (Respondent's affiliate 'RA') was the buyer's agent. Complainant alleges that RA provided the lock box code to the buyers without permission, and the buyers entered the home prior to closing, stayed for the weekend and removed items from the home. Buyers then refused to purchase the home due to "water issues", and seller is concerned that the buyers damaged the plumbing while they were in the home without permission.

Respondent's principal broker ("PB") responded on Respondent's behalf. PB stated that based on a conversation with Complainant regarding temporary occupancy Respondent "believed" they had permission to give their buyer the lock box code and allow entry prior to closing. PB has made clear to Respondent not to do that again and agreed it was a mistake and that Respondent has "learned a lesson". PB stated that Complainant misrepresented the condition of the well on the property and that while buyers were in the home, they discovered that the water was not working. After a well inspection was done it was found that the well was dry, and it would be an estimated "\$50,000 to bring water in from below". As a result of that estimate buyer terminated the contract and offered the seller the earnest money. PB states the seller has so far not responded to the request to sign the mutual release."

Respondent stated that RA notified them three days after providing the lock box code to the buyers, and that Respondent makes no excuses for RA providing the code to the buyers. Respondent denied a lack of supervision, however, and believes that RA misunderstood a conversation with Complainant and truly thought that the buyers had temporary permission to enter the home. Respondent stated they closely monitor their agents but cannot know what they are doing in the middle of the night. "My ethical obligations in this industry is something that I am very proud of and I take very seriously. As a manager, I tell every recruit and seasoned agent, "there is no gray area with me. I do what is right always, I expect them to do the same or this firm is not the fit they are looking for". Respondent has been a licensee for twenty years and has no previous disciplinary history.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for failure to supervise an affiliate agent.**

**Commission Decision: The Commission voted to assess a Five Hundred Dollar (\$500.00) civil penalty.**

**16. 2023057021**

**Opened: 11/20/2023**

**First Licensed: 9/16/2021**

**Expires: 9/15/2025**

**Type of License: Affiliate Broker**

**History: None**

Complainant alleges that Respondent is offering family and friends \$1500 for every referral that leads to a closed transaction. Additionally, Complainant alleges that Respondent is preparing fraudulent documents to assist in loan approval for clients that would otherwise not qualify. Complainant stated that they do not “know the dates” these incidents occurred but stated that they “are a real estate agent too” and knows this is “not fair” to those that work honestly. Complainant is not a Tennessee licensee, and a search of Complainant’s very unique name did not locate a licensee by that name in another state. Complainant did not provide any supporting documents or names of “family and friends” to support their allegations.

Respondent and Respondent’s principal broker provided a response denying the allegations. Additionally, Principal Broker reached out to the person named as the Complainant since they have an existing professional relationship with them and asked about the complaint. Their contact information was different from what was provided by the alleged Complainant; they are not a real estate agent; and they denied making the complaint. A copy of Respondent’s statement was forwarded to the alleged Complainant at their provided email address, and they were given an opportunity to provide a rebuttal or additional information supporting their allegations; they have so far declined to do so. Based on the information provided, there is no evidence of a violation of the *Broker Act* or the Commission Rules.

**Recommendation: Dismiss.**

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

17. **2023058631**

**Opened: 11/27/2023**

**First Licensed: 3/9/1987**

**Expires: 12/10/2024**

**Type of License: Principal Broker**

**History: 2015 Consent Order for advertising violation; 2021 Consent Order for failure to supervise an affiliate due to lapse in E&O insurance; 2021 Consent Order for engaging in brokerage activity when license was suspended**

This is an administratively opened complainant for failure to supervise because of Respondent's affiliate being issued a civil penalty due to failure to properly account for earnest money. Respondent provided a response stating that they are always available to their agents but that their affiliate waited until shortly before the intended closing to notify Respondent that there "were problems" with the buyer. From October's legal report regarding the underlying transaction:

"(Respondent's affiliate agent – 'RA') stated that they were told by client ("Spouse") they were married to Buyer, and that Buyer was out of the country but would be returning soon. RA went forward with the purchase process even though they had not spoken with Buyer, citing their own inexperience and "stressful" personal events that were taking place at the time. RA did confirm that they only spoke with the Spouse and never saw Buyer. RA also confirmed that the night before closing they still had not received the deposit or proof of funds from Buyer or "Spouse". RA stated they also learned from Spouse that Buyer was still out of the country and would not be at the closing the next morning. RA states they immediately called Complainant and their Principal Broker to inform them of the issues and did not believe extending the closing would help at that point. RA then contacted "Spouse" and learned that "Spouse" was not married to Buyer, had never seen Buyer in person and had sent Buyer money to entice Buyer to move closer to "Spouse". RA alleges that "Buyer" was a scam artist that conned "Spouse", contacted Complainant and "apologized for my actions and negligence." RA, however, goes on to allege that the complaint has only now been filed with the Commission because Complainant is now being sued by Seller, and alleges that Complainant is also angry about losing a client to RA."

Respondent denied wrongdoing and stated that is also when they learned that the "Buyer" had never deposited the earnest money with the title company. Respondent stated they advised their affiliate to notify their E&O carrier and consider obtaining their own legal counsel.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for failure to supervise an affiliate in violation of Tenn. Code Ann. § 62-13-312(b)(15).**

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

18. **2023053001**  
**Opened: 12/4/2023**  
**First Licensed: 8/27/2018**  
**Expires: 8/26/2020 (Expired, Uninsured)**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant was a buyer of a home; Respondent was the listing agent and spouse of the seller. Complainant alleges that Respondent did not disclose known issues with the air conditioning unit and that it failed approximately one year after purchase. The home was purchased in November 2018.

Respondent did not provide a response to the complaint. The current principal broker ("PB") at Respondent's previous firm was not the principal broker at the time of the sale and stated that Respondent moved out of state. PB did review the file, however, and produced an invoice from a heating and cooling company dated November 2018 wherein the AC was serviced, no known issues were reported, and the age of the AC was stated to be 18 years old.

Due to the statute of limitations and the lack of evidence regarding a violation of the Rules or the *Broker Act*, Counsel recommends dismissal.

**Recommendation: Dismiss.**

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

19. **2023056331**  
**Opened: 12/4/2023**  
**First Licensed: 2/23/2010**  
**Expires: 6/13/2024**  
**Type of License: Affiliate Broker**

**History: None**

Complainant was assaulted by Respondent, and Respondent was convicted in May 2023 of aggravated assault and reckless endangerment because of that assault. Complainant provided copies of Respondent's judgments which confirm that Respondent has been convicted of two felonies.

Respondent and Respondent's attorney ("RA") provided a response to the complaint. Respondent confirmed that they had been convicted of the charges but stated that the criminal case was a "personal matter" that they and their attorney were dealing with; that the underlying dispute did not involve a real estate transaction and that they have never done business with the Complainant. RA provided a lengthier response again confirming the convictions and argues there are no grounds under which the Commission can discipline the Respondent.

Counsel reviewed the judgments and the indictment and agrees that the Commission does not have grounds to discipline the Respondent for conviction of these specific crimes. Tenn. Code Ann. 62-13-312(b)(12) identifies twenty-one reasons to revoke, refuse or suspend a licensee. The grounds include "forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion, conspiracy to defraud or any crime or any similar offense or offenses..." but they do not include crimes of violence. Counsel recommends the complaint be dismissed.

**Recommendation: Dismiss.**

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

20. **2023057831**

**Opened: 12/4/2023**

**First Licensed: 7/11/2017**

**Expires: 7/10/2025**

**Type of License: Real Estate Firm**

**History: None**

Complainant was a prospective purchaser of property in another state, and Respondent's affiliate broker in that state's office was the Seller's agent. Complainant alleged that Respondent's affiliate broker did not have the required broker's license, and that Respondent's agent worked in coordination with their recommended title company to collect the earnest money due under the Sales

Agreement. Complainant alleges that Respondent will not return the earnest money and that because Respondent's agent was unlicensed the Sales Agreement is "null and void".

Respondent's attorney ("RA") answered on behalf of the Respondent and denied any wrongdoing. RA stated that the Respondent and their agents followed all applicable licensing laws in the state where the transaction took place. As the alleged transaction did not take place in Tennessee and there is no proof to indicate that Respondent violated our *Broker Act* or a Commission Rule, Counsel recommends the complainant be dismissed.

**Recommendation: Dismiss.**

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

**21. 2021057561**

**Opened: 8/9/2021**

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

**Expires: 10/14/2025**

**Type of License: Principal Broker**

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

This was an administratively opened complaint. Respondent's affiliate had a lapse of E&O insurance. Respondent was notified on January 29, 2021, that the affiliate's E&O insurance had lapsed, and that notice went to Respondent's primary mailing address as well as their email address. A letter addressed to Respondent's affiliate was also sent to Respondent's address, as that was the business address on file for the affiliate. Neither of these letters was returned nor were they acknowledged by Respondent. Respondent's affiliate renewed their E&O insurance in May 2021, and as a result a \$200 civil penalty was issued. Respondent was notified in September 2021 that Respondent also had a \$200 civil penalty for failure to supervise. Recently, in working to close outstanding cases, Counsel contacted Respondent related to this matter and notified them that the civil penalty is still outstanding. Respondent asks that the complaint be dismissed.

Respondent stated that they released the affiliate in December 2020 and should not be responsible for the former affiliate's lapse of E&O insurance. Respondent signed a release on December 2, 2020, prior to the lapse of insurance, and emailed the

Department's help desk that same day stating that the affiliate had been released. Respondent received a reply email stating that the request for assistance had been received and stated the following:

“Thank you for contacting Tennessee Real Estate Commission. We now have an application online at core.tn.gov for you to process the Broker Releases. It is called 8075--Broker Release Request. We recommend completing them online for faster processing .....only Principle [*sic*] Brokers can do this.”

Respondent is adamant that this email is a notification from the Commission that the release had been received and the affiliate was released. Counsel reviewed Respondent's initial email, however, and the release form with Respondent's signature was not attached. When Respondent received the proposed consent order in September 2021 Respondent called and spoke with a Commission program staff member, who assisted Respondent in filing the release form for the affiliate. Respondent submitted a copy of the release signed on December 2, 2020, and it was processed on September 14, 2021. Respondent states that the program has “proof” that the affiliate was released on December 2, 2020, and they are therefore not responsible for the civil penalty.

**Recommendation: Discuss.**

**Commission Decision: The Commission voted to reinstate the Two Hundred Dollar (\$200.00) civil penalty.**

**TIMESHARES:**

22. **2023051711**  
**Opened: 11/6/2023**  
**First Licensed: 4/20/1999**  
**Expires: 12/31/2024**  
**Type of License: Time Share Registration**  
**History: None**

Complainants allege that Respondent time-share company is luring people in with free items and then pressuring them to purchase without giving purchasers time to consider their options or the ramifications of their purchase. Complainants allege they protested repeatedly during the sales presentation but felt overwhelmed and went through with the ill-advised purchase. Complainants allege that they have not

been able to use the promised benefits and are now struggling financially. Complainants allege fraudulent and unethical practices.

Respondent attorney responded on the Respondent's behalf ("Representative"). Representative stated that Complainants have been owners since February 12, 2022, and that they were provided full and fair disclosure of all matters pertinent to your purchase on the day of sale. Representative asserts that the Complainant is outside the rescission period, so they are unable to terminate the contract. However, Representative stated that Complainant could get information about options to sell their interest in the timeshare.

Based on the information provided, Complainant is outside of the ten (10) day rescission period under Tenn. Code Ann. § 66-32-114, and Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

23. **2023055671**

**Opened: 12/4/2023**

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

**Expires: N/A**

**Type of License: Time Share Registration**

**History: None**

Complainant is an out of state resident. Complainant stated that they entered a contract with Respondent in December 2022 and was then coerced into purchasing an additional contract in August 2023 in Tennessee. Complainant stated that Respondent lied about the terms of the new contract and fees associated with the timeshare and their "Certified Exit" program. Complainant stated they were manipulated into acquiring a loan to finance the second purchase and they are now making four payments (two maintenance fees and two payments) for a plan that the Respondent falsely told them would reduce the payment amount and term of their financing. Complainant has sent multiple letters to cancel the contract. Complainant has also filed a complaint with the real estate commission in Respondent's home state.



Respondent's consumer affairs specialist responded on the Respondent's behalf ("Representative"). Representative confirmed that Complainant has been an owner since December 2022 and did enter a new purchase contract in August 2023. Representative stated that Complainant signed and received a copy of the security agreement; the charge receipt for the down payment; the Ownership Review Summary that disclosed all maintenance fees included with the purchase; and all other documents and collateral material at the point of sale. Respondent has denied Complainant's request because Complainant is outside of the rescission period.

Based on the information provided, Complainant is outside of the rescission period under Tenn. Code Ann. § 66-32-114; Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

### **CASE TO BE RE-PRESENTED**

24. **2022047941**  
**Opened: 12/27/2022**  
**First Licensed: 8/23/2017**  
**Expires: 8/22/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant is a concerned citizen. Respondent is a licensee.

Complainant alleges that Respondent posted racist comments publicly to their Facebook page, and that those posts could imply that Respondent's clients are not being treated fairly based on their race. Complainant asked the Respondent's principal broker to address the social media posts but did not receive a response, so filed a complaint with the Commission.

Respondent did not respond to the complaint. Respondent's principal broker responded through their attorney, who stated that the Respondent terminated their contractual relationship with the principal broker at or around the same day that the complaint was filed with the Commission.

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

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

**New Information:** Respondent advised Counsel that when they received the complaint, they spoke to their former principal broker who told them their attorney "had already responded" to the complaint, and so did not think an additional response was necessary. Respondent also received another complaint a few weeks later (which was subsequently closed) and did respond to that complaint within the required ten days. Counsel reviewed Respondent's reply to the second complaint and Respondent does mention the prior complaint and denied any wrongdoing. Based on the notification from their former principal broker that a response had already been provided in this matter and that Respondent did respond to a complaint that was filed at around the same time, Counsel does not believe that Respondent intentionally failed to respond to this complaint.

**New Recommendation: Dismiss.**

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

**Aerial Carter**

**New Complaints:**

25. **2023042591**  
**Opened: 9/18/2023**  
**First Licensed: 11/24/2015**  
**Expires: 11/23/2025**  
**Type of License: Real Estate Firm**  
**History: None**

Complainant is a Tennessee Resident. Respondent is a Real Estate Firm. Complainant states that they worked for the Respondent, a property management company. The Complainant alleges that Respondent failed to remit money owed to residents in a reasonable time.

The Respondent's Attorney (Attorney) submitted a response on their behalf. The Respondent stated that the Complainant's role includes handling money because they are licensed. They addressed move-in fund and rent payments, logging the payments and the process for updating the ledgers.

In a rebuttal from the Complainant, they discuss issues related to move in/out procedures and fees associated with that, property inspections, and acquisition of properties.

The complaint did not include any documents or ledgers to support the money that the Respondent failed to remit to the residents. After review, it does not appear that the issue is related to remitting money but with the Respondent's management practices. The Commission does not have authority over this matter, pursuant to T.C.A § 62-13-104(a)(1)(E).

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

**Recommendation: Dismiss**

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

26. **2023039601**  
**Opened: 8/21/2023**  
**First Licensed: 6/16/2004**  
**Expires: 4/16/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant is a licensed real estate professional and was the listing agent in a real estate transaction. Respondent is an Affiliate Broker. The Complainant alleges that they received an offer from the Respondent around June 2023, and they did not inform the Complainant that they were licensed. The Respondent signed a Confirmation of Agency form as an unrepresented buyer.

Respondent submitted a response and stated that they had an assignee, giving them the ability to wholesale. At the time of the contract, the Respondent claims that they were unaware that their license was valid. They contacted the Commission and was told that they would need to appear before the Commission to reactivate their license. They did not reach out to the Commission to set a date to appear and stated they did

not reach out. Around June 2023, the Respondent stated that they were made aware that their license was reactivated. The Respondent attached copies of emails they had with the Commission.

Counsel reviewed the communications with the Respondent. On January 6, 2023, the Respondent submitted a request to reinstate their license. On January 13, the Respondent submitted documents to retest and reapply. There's a note that the application was cancelled on January 27, 2023, but the re-application was approved on April 17, 2023. On April 18, 2023, a copy of the Respondent's license was sent to the firm.

Based on the information provided, the Respondent should have known that they were licensed as the license was sent to the Respondent's firm at the time. Counsel finds Complainant's allegations related failing to disclose their licensee status to be founded.

Based upon all these facts, Counsel recommends this Respondent be assessed a Two-Hundred and Fifty Dollar (\$250.00) civil penalty for failing to exercise reasonable skill and care regarding their license notification, in violation of T.C.A. § 62-13-403 and a Two-Hundred and Fifty Dollar (\$250.00) civil penalty for failing to identify themselves as a licensee when buying property for themselves, in violation of Tenn. Comp. R. & Regs. 1260-02.11.

**Recommendation: Two-Hundred and Fifty Dollar (\$250.00) civil penalty for failing to exercise reasonable skill and care regarding their license notification, in violation of T.C.A. § 62-13-403 and a Two-Hundred and Fifty Dollar (\$250.00) civil penalty for failing to identify themselves as a licensee when buying property for themselves, in violation of Tenn. Comp. R. & Regs. 1260-02-.11.**

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

27. **2023046271**  
**Opened: 10/2/2023**  
**First Licensed: 4/24/2012**  
**Expires: 4/23/2024**  
**Type of License: Principal Broker**  
**History: None**

Complainant alleges their agent contacted the Respondent to conduct a tour of the property via Zoom. The Complainant's agent was located roughly four (4) hours from the listed property and the Complainant was not able to come to Tennessee to view the property. The Respondent declined the request and told the Complainant and their agent that they would need to come to see the property in person. The complaint further alleged that the Respondent told the Complainant they wouldn't show the property unless they worked with them. The Complainant rejected the demand, and they lost the opportunity to purchase the property.

The Respondent submitted a response and denied the allegations. The Respondent stated that they only denied the request for the Zoom tour because it became clear to them that the Complainant's agent wanted them to do the tour. The Respondent did not feel comfortable with the request because it would just be the Complainant and the Respondent on the call, and they did not want to be responsible for any misunderstandings since they were represented. The Respondent stated that they did not demand that the Complainant to work with them but if they wanted to view the property either they would need to come to Tennessee, or their agent would have to do the viewing on their behalf and stated any offer for the property should be done through their agent.

Counsel finds Complainant's allegations to be unfounded. The Respondent is not under an obligation to conduct a Zoom tour to a represented individual and would have been the Complainant's agent's responsibility to ensure their client saw the property.

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

**Recommendation: Dismiss.**

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

28. **2023046801**  
**Opened: 10/2/2023**  
**First Licensed: 10/5/1995**  
**Expires: 1/24/2024**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant is licensed real estate professional and represented prospective buyer in a real estate transaction. Respondent is an Affiliate Broker and was the seller. Complainant alleges Respondent refused to accept an offer on their personal home and would only consider the offer from the buyer if they were not represented because they would not pay the Complainant's commission. The Respondent with a cash offer from another buyer and the Complainant believes the Respondent acted unethically.

Respondent denied stating that they would work with the Complainant's client if they were unrepresented. They stated that they would not accept the offer even if they paid the Complainant's commission because it was too low.

Based on the information provided, the Respondent is not obligated to sell their property to Complainant's client just because they "loved the home." Counsel finds Complainant's allegations to be unfounded. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**29. 2023043931**

**Opened: 10/19/2023**

**Unlicensed**

**History: None**

Counsel reviewed the documents and screenshots submitted. The screenshot of a computer screen appeared to show a blank template for a contract of sale, but it did not contain any information related to this complaint or Respondent. Additionally, there was a copy of the articles of incorporation for companies that had the same listed address.

Based on the information provided, it appears that the Respondent and their partners are selling their assignment rights, not the property. Based on Counsel's understanding of wholesaling, this is permissible since the Respondent has a valid ownership interest. Further, there is nothing to prevent a company from purchasing property. Case numbers 2023043931 (#29) and 2023046511 (#32) are related and contain the same allegations.

Complainant is a licensed real estate professional. Respondent is unlicensed. Complainant alleges Respondent and their partners are engaged in unlicensed activity. They state that the Respondent has multiple companies and is receiving fees for assigning their equitable interest for property that is marketed for sale. The Complainant attached video links and various screenshots.

Respondent did not respond, and all mail came back as undeliverable.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

30. **2023043891**  
**Opened: 10/19/2023**  
**First Licensed: 4/11/2017**  
**Expires: 4/10/2025**  
**Type of License: Real Estate Firm**  
**History: None**

This complaint was administratively opened against the Respondent and is related to complaint number 202302088 which came before the Commission during the August 2023 legal report.

The original complaint was filed against Complainant alleges Respondent is engaging in unlicensed activity by is advertising itself as a property management company without the proper license.

The Respondent stated they are a team that handles property management and is associated with a licensed real estate firm. Respondent attached screenshots of filling information with a different government agency where all affiliated names are listed.

Based on Counsel's understanding, team names are not connected in CORE but if the Respondent is operating as a property management group, they need to have a separate license. Here, the Respondent admitted that they have a division that does property management and is not an additional team.

Based on the information provided, it appears the Respondent is attempting to have branch offices under T.C.A § 62-13-309(a)(1)(B) and they are required to have a separate license.

Based upon all these facts, Counsel recommends this Respondent be resolved with a letter of warning.

**Recommendation: Letter of Warning.**

**Commission Decision: The Commission voted to accept counsel's recommendation and to include licensing specifications and a deadline to meet the specifications within forty-five (45) days.**

31. **2023046991**  
**Opened: 10/23/2023**  
**First Licensed: 11/7/2016**  
**Expires: 5/19/2025**  
**Type of License: Principal Broker**  
**History: None**

Complainant is a prospective buyer in a real estate transaction. Respondent is a Principal Broker and acted as the seller's agent personally benefitted by purchasing the property after the Complainant denied their request for an extension on the closing. The Complainant stated that they asked for an extension around about seven (7) days before the original closing date. The Complainant did not have the funding and asked for another extension because they were waiting on funding from a federal program. The second extension was requested on the date of closing and the sellers requested that the Complainant forfeit their earnest money deposit. After the second request was denied, the Respondent contacted the Complainant and informed them that the seller could not afford a mortgage payment and rent for their new place. Additionally, the seller found out that there was a lien on the property, so the Respondent was going to purchase the property.

Respondent stated that this entire transaction is a big misunderstanding and at no point did they intend to "buy the house from under the Complainant," it was just a solution they came to try to help their client. The Respondent said that the seller contacted them to sell their property, but the property needed a lot of work, so the Respondent offered to have the seller use one of their rental properties while their property was renovated. The Respondent stated that they did not charge the seller anything. When the seller received an extension request four (4) days before closing



and the seller told Respondent that they could not afford both the mortgage payment and rent for the new property. The next day, the Respondent was informed by the title company that there was a lien on the property that was previously unknown to the seller. The Respondent then stated the sellers could do a quit claim deed and sign the property to them. The sellers agreed and refused to grant the second extension because the Respondent provided a way out.

The Respondent stated that they did not fully disclose their client's situation to the Complainant or their agent because it was privileged information. The Respondent attached screenshots between themselves and the seller and an email from the Complainant asking to withdraw the complaint.

Counsel could not review the screenshots due to the low quality. The Respondent was asked to resubmit the screenshots due to the blurriness, but the link used required a log in that Counsel did not have access to. The email that the Complainant sent to the Respondent was included and stated that they wanted to withdraw the complaint because they had the additional information. However, in a separate document sent, the Complainant wanted to withdraw the complaint because the Respondent found out about the complaint, and it was affecting their contract and closing. The Complainant was informed that they could not withdraw the complaint.

Based on the information provided, there appears to be a discrepancy between the parties regarding the timeline of events. Neither party included documents related to the closing date. The Respondent got the quit claim deed and then became a party to the real estate transaction as the seller.

The Respondent did not disclose that they were having the sellers sign a quit claim deed. Counsel believes there are potential violations related to engaging in self-dealing. Specifically, T.C.A § 62-13-403 for violating the duty to all parties to not engage in self-dealing; T.C.A § 62-13-312 for failing to disclose their true intention to purchase property listed with their firm; Tenn. Comp. R. & Regs. 1260-02.11 for failing to make a full disclosure regarding the property. Counsel recommends that this matter to be discussed by the Commission to determine the proper civil penalty.

**Recommendation: Discuss.**

**Commission Decision: The Commission voted to defer this matter to the February meeting for counsel to gather additional information regarding the contract and the type of deed.**

**32. 2023046511**  
**Opened: 10/30/2023**  
**Unlicensed**  
**History: None**

Case numbers 2023043931 (#29) and 2023046511 (#32) are related and contain the same allegations.

Complainant is a licensed real estate professional. Respondent is unlicensed. Complainant alleges Respondent and their partners are engaged in unlicensed activity. They state that the Respondent has multiple companies and is receiving fees for assigning their equitable interest for property that is marketed for sale. The Complainant attached video links and various screenshots.

Respondent did not respond, and all mail came back as undeliverable.

Counsel reviewed the documents and screenshots submitted. The screenshot of a computer screen appeared to show a blank template for a contract of sale, but it did not contain any information related to this complaint or Respondent. Additionally, there was a copy of the articles of incorporation for companies that had the same listed address.

Based on the information provided, it appears that the Respondent and their partners are selling their assignment rights, not the property. Based on Counsel's understanding of wholesaling, this is permissible since the Respondent has a valid ownership interest. Further, there is nothing to prevent a company from purchasing property.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

**33. 2023052661**  
**Opened: 11/6/2023**  
**First Licensed: 7/26/2005**  
**Expires: 7/25/2025**  
**Type of License: Affiliate Broker**

**History: None**

Complainant is a Tennessee resident. Respondent is an Affiliate Broker. Complainant alleges Respondent entered property that they were renting without their permission and the Respondent conducted a tour of the property on FaceTime against the Complainant's wishes. The complaint did not contain any additional documentation.

Respondent acted as the Seller's agent in a real estate transaction. They stated they were unaware that the Complainant was renting the property until they were told by the listing agent the day before a scheduled walkthrough. The walkthrough was completed by a different real estate agent who showed the property to the prospective Buyer. The Respondent attached copies of text messages between them and the listing agent, an E&O policy and claim form.'

Counsel reviewed the documents submitted. It appears that the Complainant does not own the property but was renting the home for the weekend. Based on the text messages, the Respondent didn't seem to be aware that the Complainant would even be at the property. The listing agent said they would tell their seller when the tour would happen so they could "warn the renters." It's unclear if the real estate agent the Respondent hired entered the property while the Complainant was in the house but both parties agree that the house was shown via FaceTime.

Based on the information provided, the duty was on the Seller's agent to inform all parties that renters were in the home while the listing was active. The Respondent was not present during the tour and only had an obligation to their client during this transaction.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

34. **2023052771**  
**Opened: 11/6/2023**  
**Unlicensed**  
**History: None**

Complainant is a Real Estate Broker. The Respondent is unlicensed. Complainant alleges Respondent contacted their client via mail to purchase vacant land and assign it to another buyer without a valid firm or broker license. The Complainant attached a copy of the letter and purchase agreement that was sent to their client.

Respondent stated their company did not make an offer with intent to assign to another buyer but reserves the right in the purchase agreement. The Respondent insisted that the company only purchases property for investment purposes and the properties are obtained utilizing personal capital.

Based on the information provided, it appears the Respondent was attempting to purchase the property to engage in a future wholesaling transaction. When looking at wholesaling, the courts consider whether the unlicensed individual has a valid ownership interest in the subject property and how that wholesale transaction is executed. Here, the Respondent is attempting to purchase this property. The main issue is how the Respondent has advertised their services.

Counsel reviewed the letter and purchase agreement submitted. The letter suggests that the property is being purchased by a company, not an individual for personal use. The Respondent introduces themselves as a “professional real estate investment company.” The letter does not clearly state what the Respondent’s role is or that they are not a licensed real estate firm. The purchase agreement does not have any special provisions that indicate they would only be purchasing an assignment of the contract.

Here, it appears that the Respondent is advertising and conducting business as a real estate professional without a license.

Based upon all these facts, Counsel recommends this Respondent be assessed a One-Thousand Dollar (\$1,000) civil penalty per violation of unlicensed activity but would like to have discussion with the Commission for future guidance regarding wholesalers and advertising to purchase property.

**Recommendation: Discuss.**

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

35. **2023052781**  
**Opened: 11/6/2023**  
**Unlicensed**  
**History: None**

Complainant is a real estate professional. The Respondent is unlicensed. Complainant alleges Respondent contacted their client via mail to purchase vacant land and assign it to another buyer without a valid firm or broker license. The Complainant attached a copy of the letter and purchase agreement that was sent to their client.

Respondent stated their company did not make an offer with intent to assign to another buyer. They stated that just made an offer with the intent of purchasing it, which does not require a license.

Counsel reviewed the letter and purchase agreement submitted. The letter states that they are making an offer to purchase property if the recipient is willing to sell it. The Respondent introduces themselves as a “property investment company.”

Here, it appears that the Respondent is only making an offer to purchase property and does not appear to hold themselves out as a broker.

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

**Recommendation: Dismiss.**

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

36. **2023053541**  
**Opened: 11/6/2023**  
**First Licensed: 12/10/2019**  
**Expires: 12/9/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant is a licensed real estate professional. Respondent is an Affiliate Broker. The Complainant serves as the Buyer’s Agent in a real estate transaction. Complainant alleges Respondent committed multiple ethical and professional violations by (1) directly communicating with the Complainant’s client. (2) The Respondent failed to disclose a contingency where they were required to get a third-party approval prior to selling their home which led to multiple requests for an extension and the eventual termination of the transaction. The Complainant attached

a copy of the Purchase Agreement, Confirmation of Agency Status and various screenshots of emails and text messages.

Respondent stated that the Complainant's client, contacted them and they responded. They also stated that the prospective buyer contacted them on their personal number, which only could have been provided to them by the Complainant. The Respondent stated that they did not withhold relevant information regarding the contingency. The Respondent stated that they and their client became aware of the issue once an outside trustee informed them of an issue with transferring the title, but it would be resolved within a week. Once they became aware, the Respondent asked for extensions and got a release from their client to reveal confidential information to the Complainant and their client. The Complainant insisted on the closing date in the contract and terminated the agreement when it was unable to happen. The Respondent attached a copy of various screenshots of text messages and the Mutual Release of Purchase and Sale Agreement.

Based on the information provided, it appears that the Respondent communicated as effectively as possible during the transaction. The only document provided regarding the Respondent's communication with the Complainant's client was a copy of a transcript from a voicemail left by the prospective buyer along with the call log with multiple incoming calls from the prospective buyer. There was nothing to indicate a violation.

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

**Recommendation: Dismiss.**

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

**37. 2023054501**  
**Opened: 11/6/2023**  
**First Licensed: 10/5/1999**  
**Expires: 11/13/2025**  
**Type of License: Principal Broker**  
**History: None**

Complainant is a Tennessee resident and prospective Seller in a real estate transaction. Respondent is a Principal Broker and represented the prospective buyer. Complainant alleges Respondent attempted to threaten legal action if they did not

complete repairs. The Complainant stated that they never agreed to complete in the repairs, but the Respondent added them to the final inspection document. The Complaint also alleged that the Respondent was not professional in the way they talked to their agent. The complaint had a copy of the Buyer's Final Inspection Report ("Report") and the Repair/Replacement Amendment ("Amendment").

Respondent stated that they did not threaten legal action and denied adding items to the inspection list and only asked that the Complainant and their agent complete the repairs they agreed to. The Respondent attached multiple documents including the Report, Amendment, the original Home Inspection Report, various screenshots of emails and text messages.

Based on the information provided, the Respondent was attempting to enforce the agreement to have repairs made after a second home inspection was completed. It appears that the Buyer wanted to have their earnest money returned if the repairs would not be made. This dispute would be best handled in civil court for breach of contract.

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

**Recommendation: Dismiss.**

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

**38. 2023048701**

**Opened: 11/14/2023**

**First Licensed: 5/10/2006**

**Expires: 12/17/2025**

**Type of License: Principal Broker**

**History: None**

Complainant is a broker. Respondent is a Principal Broker. Complainant alleges the parties were involved in a real estate transaction. After the transaction was completed, the Complainant was entitled to a Respondent ninety-three-thousand-dollar (\$93,000) commission but the Respondent didn't send the money. The Complainant stated they only received nine hundred and thirty dollars (\$930), so they sued in court for the remaining balance. As of the complaint, they stated that they have not received the remaining money.

Respondent did not submit a response, but the complaint was sent via certified mail, and it was returned with a signature, but Counsel was unable to determine the name signed but it was received.

Counsel believes this Respondent should be assessed a civil penalty of one thousand dollars for failure to respond in violation of T.C.A § 62-13-313. Counsel is unable to recommend a penalty for failing to remit money owed to the Complainant as it does not appear that the matter has been resolved in civil court. If Respondent is found guilty, it is recommended that they are assessed an additional civil penalty or suspension for a violation of T.C.A § 62-13-312. Based upon all these facts, Counsel recommends this matter go to litigation monitoring.

**Recommendation: Litigation Monitoring.**

**Commission Decision: The Commission voted to issue a Consent Order to Respondent with a One Thousand Dollar (\$1,000.00) civil penalty for failure to respond.**

39. **2023049321**

**Opened: 11/14/2023**

**First Licensed: 9/29/2014**

**Expires: 7/13/2023 (Expired)**

**Type of License: Real Estate Broker**

**History: None**

Complainant is a licensed real estate professional and was the Buyer's Agent in a real estate transaction. Respondent is unlicensed but was a Real Estate Broker. Complainant alleges Respondent contacted them regarding a property that was listed without disclosing their license status. The complaint further alleges that during the negotiations, the Respondent failed to disclose defects in the home. The Complainant attached the listing agreement, a Radon Inspection Report, and the Purchase Agreement

Respondent did not submit a response. The complaint was sent via certified mail but came back as undelivered.

Counsel reviewed the documents provided. Counsel was able to confirm that the Respondent's license expired July 2023. It appears that they were listed as the Principal Broker and still have an affiliate working for the firm, who needs to be



broker released. The Respondent has been advertising as a licensed real estate professional via websites and social media. In this matter, the Respondent signed as the listing agent multiple times and provided a license number, firm number, firm address, and all other relevant information that would lead an individual to believe they were licensed.

Based upon all these facts, Counsel recommends this matter be assessed a civil penalty of One Thousand Dollars (\$1,000) for engaging in unlicensed activity and to administratively broker release any and all affiliates as the firm's principal broker is not licensed.

**Recommendation: One Thousand Dollar (\$1,000.00) civil penalty for unlicensed activity and administratively broker release any and all affiliates as the firm's principal broker is not licensed.**

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

40. **2023053741**

**Opened: 11/14/2023**

**First Licensed: 9/18/2020**

**Expires: 9/17/2024**

**Type of License: Affiliate Broker**

**History: None**

Complainant is a Tennessee resident and was a Buyer in a real estate transaction. Respondent is an Affiliate Broker and acted as the Buyer's Agent. The Complainant purchased a condominium in a residential building. The Complainant alleges Respondent was aware that they were searching for a quiet place to live but the Respondent failed to inform them that three of the units in the building were used for rental services. The Complainant stated that they have experienced "low level disturbances." The complaint did not have any additional documents attached.

Respondent submitted a response that outlined the interactions they had with the Complainant. The Respondent said that the only question the Complainant was "do you know if the other units are owner-occupied or rented." They stated that they would ask and at the second viewing of the property they informed the Complainant that at least two of the properties were used as rental properties. The Respondent also stated that the concerns they received from the Complainant was if they could

put a hot tub on the terrace and the HOA fees. The response included a copy of the Exclusive Buyer Agreement and various screenshots.

The complaint does not contain any specific allegations and this matter is best handled with the HOA to resolve any “low level disturbances.” Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

41. **2023054261**  
**Opened: 11/14/2023**  
**Unlicensed**  
**History: None**

Complainant is a Tennessee resident. Respondent is unlicensed. Complainant alleges Respondent owns multiple companies and has been using them to act as a real estate company without having a valid license and they also have an unlicensed individual managing the properties without a license. The Complainant mentioned three properties.

Respondent’s Attorney (Attorney) submitted a response on the Respondent stated that the properties are owned as follows. Property 1 is owned by an individual who works for the Respondent’s corporation and not related to the corporation. Property 2 is owned by a corporation, in its individual capacity. Property 3 is owned by a corporation, in its individual capacity. The Attorney stated that the Respondent does not own, operate, or lease any of the properties. For the property management, they independently hired an individual, but that individual has no connection to their corporation.

Counsel reviewed the documents and links attached. Counsel also reviewed the property assessor’s website. Counsel found that the corporation owned by the Respondent does not own any of the properties mentioned in the complaint. Furthermore, Counsel could not find evidence that the Respondent is engaged in real estate activity. Both parties mentioned an individual who has been managing properties. Counsel looked up the name provided, and it was confirmed that they do not have a real estate license. However, Counsel was unable to find any contact information for that individual.

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

**Recommendation: Dismiss.**

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

42. **2023054321**  
**Opened: 11/14/2023**  
**First Licensed: 7/24/2023**  
**Expires: 7/23/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant is a Tennessee resident and was a prospective seller in a real estate transaction. Respondent is an Affiliate Broker. Complainant alleges Respondent was their neighbor and approached them with an offer to purchase their home on behalf of an Investor. The Complainant stated that the Respondent and Investor had a personal relationship. After three weeks, the transaction fell through, and the Complainant believes that the Respondent intentionally kept their property off the market and the failed transaction caused them to lose out on a new house out of state.

Respondent stated that the transaction was terminated after an inspection was completed and the buyer asked for the earnest money to be returned and a mutual release be signed. The Respondent stated that they sent a personal disclosure form because the property was being purchased for their fiancé's son.

Based on the information provided, it does not appear that the Respondent acted in an unethical way or attempted to keep the Complainant's property off the market. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

43. **2023056361**  
**Opened: 11/20/2023**  
**First Licensed: 5/15/2002**

**Expires: 12/25/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant is a Tennessee resident and buyer in a real estate transaction. Respondent is an Affiliate Broker and acted as the seller's agent. The Complainant alleges Respondent failed to disclose that the shed on the property would not remain after the sale and it was misleading to the Complainant and their agent.

Respondent submitted a response. They stated that it was clear in the Purchase Agreement because the shed was not included in the list of items to remain and it was not included in any of the other documents such as the Offer, Counteroffer, Property Disclosure, or the Buyer's Final Inspection.

The Complainant did not include a copy of the MLS listing, but Counsel was able to find the previous listing. The listing does not mention the shed being for sale and did not appear to be included in the photographs listed. Counsel also reviewed the Purchase Agreement. In the sections that describe the included items and the items that won't remain, the shed is not mentioned.

Based on the information provided, it appears the complaint is more of a contract dispute as the Complainant wanted this matter resolved by reimbursing them for the cost of a new shed.

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

**Recommendation: Dismiss.**

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

44. **2023056441**  
**Opened: 11/20/2023**  
**First Licensed: 3/22/1996**  
**Expires: 6/7/2025**  
**Type of License: Principal Broker**  
**History: 2021 Consent Order for failure to supervise an affiliate due to lapse in affiliate's E&O insurance, 2021 Consent Order for failure to supervise an affiliate due to lapse in affiliate's E&O insurance**

Complainant is a Tennessee resident and was the prospective buyer in a real estate transaction. Respondent is a Principal Broker. The complaint states that the parties were involved in a real estate transaction that was contingent on the Complainant selling their property. The Complainant alleges Respondent and the Listing Agent failed to return the earnest money after they were unable to sell their out of state property. The complaint had the Purchase Agreement and Mutual Release Agreement attached.

Respondent stated that Listing Agent works for their firm. The Respondent stated there was a short delay in returning the money as the seller had concerns about the Complainant's honesty. However, the Respondent and Listing Agent were able to get the seller to sign the release for the earnest money and the money has been sent. The Respondent attached an email that was forwarded from the Complainant's agent that they would like to drop the complaint because the matter was resolved.

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

**Recommendation: Dismiss.**

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

45. **2023056891**  
**Opened: 11/20/2023**  
**First Licensed: 8/13/1998**  
**Expires: 6/24/2025**  
**Type of License: Principal Broker**  
**History: None**

Complainant is a Tennessee resident and was the buyer in a real estate transaction. Respondent is a Principal Broker and represented the seller. Complainant alleges Respondent failed to retrieve all the keys to the shop they purchased. As a result, the seller still thinks they are in possession of the property.

Respondent stated that the Purchase Agreement had an Addendum that states the seller was allowed to maintain access for 45 days after closing to collect property. The Respondent attached a copy of the addendum, and it was signed by all parties.

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

**Recommendation: Dismiss.**

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

46. **2023056391**

**Opened: 11/27/2023**

**First Licensed: 3/3/2009**

**Expires: 1/21/2024**

**Type of License: Principal Broker**

**History: None**

Complainant is a Tennessee resident and president of an HOA. Respondent is Principal Broker and was the property manager for the HOA. Once the Complainant became president, the Respondent was terminated.

Complainant alleges Respondent violated their duty in the following ways: (1) Respondent failed to remit money within a reasonable time. The Complainant stated that their records show that the Respondent was to transfer \$107,000 but they only returned \$94,000. (2) failed to provide the monthly financial reports to the board members from April 2023 until the termination on September 2023. (3) Attempted to misrepresent their licensure by using their title as a broker to "vouch for their trustworthiness." (4) The Respondent maliciously withheld property by not providing pool access and property keys to the new property management team. There was also an allegation of potential criminal conduct based off this complaint, but the Commission does not have authority over this matter. The complaint had a screenshot of an email between the parties regarding verification codes.

Respondent denied the allegations in the complaint. (1) The Respondent stated that they are unsure where the \$107,000 amount is coming from, but they transferred money to the HOA over three payments. (2) The Respondent provided the login and credentials to the board members and did not withhold the statements. (3) The Respondent stated they never misrepresented their credentials at any point. (4) The Respondent provided pool access and property keys to the new property management team via mail. The Respondent attached a screenshot of the check transaction transferring money in the total of \$97,046.76, the General Ledger from 2021-2023, and the tracking number and receipt for the package containing the keys.

The Complainant submitted a rebuttal to the response and included additional responses and various screenshots of bank statements.

Counsel reviewed the information provided. The allegation that the Respondent failed to remit money within a reasonable time appears to be unfounded. The Complainant did not provide any documentation showing that they were owed \$107,000. They did acknowledge they received \$94,000 but the transaction history shows that \$97,046.7 was transferred to the HOA account. The Complainant's rebuttal also admitted that their investigation is ongoing so they can't "conclusively address the specifics of this allegation."

Counsel finds the allegation that the Respondent failed to provide the monthly financial reports to be unfounded. The Complainant and Respondent attached an email for the credentials for the program to access the reports. The Respondent stated that they would get it to them within a week. Additionally, the ledger has a comprehensive record of the monthly reports.

Counsel finds the allegation that the Respondent attempted to misrepresent their licensure to be unfounded. There's no violation to associate with this as the Respondent is a licensee.

Counsel finds the allegation that the Respondent withheld property by not providing pool access and property keys to the new property management team to be unfounded. The Respondent had a package containing the keys and sent it prior to their contract termination and arrived within 18 days. The rebuttal acknowledges that they received the package but took issue with the way it was done as they believe the new management needed immediate access.

Counsel finds any allegations that are criminal in nature are better suited for criminal court. Based upon all these facts, Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

47. **2023057711**  
**Opened: 11/27/2023**  
**First Licensed: 6/11/2015**  
**Expires: 1/6/2025**

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

Complainant is anonymous. Respondent is a Principal Broker. Complainant alleges Respondent's affiliate is engaged in unlicensed activity by advertising managing rentals as a real estate affiliate, not a broker. The complaint did not include the alleged advertising violation.

Respondent stated that their affiliate is not engaged in unlicensed activity. Counsel confirmed that the affiliate is an active Affiliate Broker.

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

**Recommendation: Dismiss.**

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

48. **2023056661**

**Opened: 12/4/2023**

**First Licensed: 12/9/2004**

**Expires: 3/30/2025**

**Type of License: Principal Broker**

**History: 2021 Agreed Citation for Advertising Violation; 2023 Agreed Citation for Advertising Violation**

Complainant is a Tennessee resident and was a prospective buyer in a real estate transaction. Respondent is a Principal Broker and represented the sellers. Complainant alleges Respondent intentionally provided false information to the seller that they were not approved for the loan and once the Purchase Contract expired, they refused to send a new one.

Respondent stated they entered an agreement August 2023, and the closing date was scheduled for September 2023. The Complainant kept asking for extensions for the closing date to ensure they received the USAA/VA loan. When the Complainant asked for an extension for 120 days, they advised their client to move forward and re-list the property as they needed to sell the property quickly due to personal reasons. The Respondent included copies of the Purchase Agreement, Mutual Release Agreement, and screenshots of emails to the Complainant's agent.



Based on the information provided, the Respondent was advising their client in the best interest, and it appears there was no attempt to provide false information to the seller. Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

49. **2023058561**  
**Opened: 12/4/2023**  
**First Licensed: 2/5/2020**  
**Expires: 9/21/2025**  
**Type of License: Real Estate Broker**  
**History: None**

Complainant is a Tennessee resident. Respondent is a Real Estate Broker. The Complainant was an unrepresented seller in a real estate transaction and the Respondent was the buyer. Complainant alleges that the Respondent did not disclose that they were a real estate broker and only found out when the original contract expired that they were licensed and owned the company who bought the Complainant's property. The complaint further alleged the Respondent failed to give the Complainant any earnest money and did not use forms from the Tennessee REALTORS® (TR).

The Respondent's Attorney ("Attorney") submitted a response on the Respondent's behalf. The Attorney stated that the Respondent signed the contract on behalf of a company. The Respondent is the president of the company. The Attorney argued that the Respondent verbally told the Complainant that they held a real estate license and believed they complied under T.C.A. § 62-13-405(a). The Attorney stated that the Respondent was not representing the company as a real estate professional but is authorized to act on the company's behalf.

Counsel reviewed the contract for purchase. Based on Counsel's understanding, it is not required for real estate licensees to use forms that come from TR, but they should contain certain language. It should be noted that the contract did not contain any clauses about who would be responsible for the earnest money or a termination date for the contract.

Here, the Respondent was required to disclose the self-interest in writing that they were a licensed real estate broker. Tennessee Rules and Regulations state that a licensee must make full disclosure of their true position to the prospective purchase and identify themselves as a licensee. Tenn. Comp. R. & Regs. 1260-02-.11(1); Tenn. Comp. R. & Regs. 1260-02-.11(2). Additionally, T.C.A. § 62-13-403 (7)(A), states that a licensee shall not “engage in self-dealing nor act on behalf of licensee's immediate family or on behalf of any other individual, organization or business entity in which the licensee has a personal interest without prior disclosure of the interest and the **timely written consent of all parties to the transaction.**”

Based on the information provided, the Respondent is in violation of T.C.A § 62-13-403(7)(A) because they did not disclose a self-interest as the president of a company who entered a real estate transaction as a buyer.

Counsel recommends this Respondent be assessed a civil penalty of Five Hundred Dollars (\$500.00) and a four (4) hour Education course in Contracts to be completed in one hundred eighty (180) days above and beyond the continuing education requirements.

**Recommendation: Five Hundred Dollar (\$500.00) civil penalty and a four (4) hour Education course in Contracts to be completed in one hundred eighty (180) days above and beyond the continuing education requirements.**

**Commission Decision: The Commission voted to assess a One Thousand Dollar (\$1,000.00) civil penalty and to require four (4) hours of education in Contract to be completed in one hundred eighty (180) days above and beyond the continuing education requirements. Further, the Commission assessed a six (6) hour CORE course to be completed within one hundred eighty (180) days, with this course permitted to count toward Respondent’s continuing education.**

50. **2023058841**  
**Opened: 12/4/2023**  
**First Licensed: 2/16/2021**  
**Expires: 2/15/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant is a Tennessee resident. Respondent is an Affiliate Broker. Complainant alleges Respondent is threatening to sue over a breach of contract based off a 60 day carry over clause.

Respondent submitted a response stating that the Complainant was aware of the carry over clause and the Complainant sold the property with another real estate agent despite the contract.

Based on the information provided, the Respondent intends to sue in civil court for a breach of contract. The Complainant was requesting that the Commission put a stop to the lawsuit. The Commission has no authority over this matter.

Counsel recommends this matter be dismissed.

**Recommendation: Dismiss.**

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

51. **2023058861**  
**Opened: 12/4/2023**  
**Unlicensed**  
**History: None**

Complainant is anonymous. Respondent is unlicensed in Tennessee but has two licenses in other states. Complainant alleges Respondent engaged in unlicensed activity and attached a screenshot to a commercial property listing.

The Respondent submitted a response that there is an agreement between two development companies and a Tennessee licensee is assisting with the Tennessee listing and attached a listing agreement.

Counsel reviewed the listing agreement and the listing on the company's website. The listing has multiple real estate agents, and one is a Tennessee real estate agent. It appears that the Respondent is part of a corporation that has dealings with real estate, meeting the exemption under T.C.A. § 62-13-104(a)(1)(F).

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

**Recommendation: Dismiss.**

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

**52. 2023056771**  
**Opened: 12/4/2023**  
**First Licensed: 12/1/2016**  
**Expires: 11/30/2024**  
**Type of License: Real Estate Firm**  
**History: None**

Complainant is a licensed real estate professional and represented the prospective buyer in a real estate transaction. Respondent is a Real Estate Firm and was the listing agency for the property. Complainant stated their client was told they needed to talk directly to the seller (Property Company) and assumed the seller was the same individual. The Complainant found out that Property Company only had an assignable contract for the property and was not the legal owner.

Complainant alleges Respondent failed to disclose that the Property Company did not have valid ownership and should be engaged in the negotiations.

The Respondent stated that they are not affiliated with the Property Company, and they listed the property with a valid power of attorney. Respondent stated all the offers and addendums were prepared by the Complainant and they did not notice the addition of Property Company's name until the complaint was received. The Respondent attached the MLS listing, Purchase and Sale Agreement, and other documents.

Based on the information provided, the Property Company is not mentioned in the MLS listing but does show up throughout the various contracts signed by the parties. Counsel was unable to determine who owned the Property Company or the extent of the involvement in the real estate transaction. Counsel finds it concerning that the Respondent did not notice a party to the contract that had no relationship to the transaction, although it was signed by all parties. Counsel finds that they failed to do their due diligence to exercise reasonable skill and care under T.C.A. §62-13-403.

Based upon all these facts, Counsel recommends this Respondent be assessed a civil penalty of Five Hundred Dollars (\$500.00) for failing to do exercise reasonable skill and care when they failed to notice all parties to the contract under T.C.A. § 62-13-403.

**Recommendation: Five Hundred Dollars (\$500.00) for a violation of T.C.A. § 62-13-403(1) for failing to exercise reasonable skill and care.**

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

### **CASES TO BE REPRESENTED**

**53. 2022033091**

**Opened: 8/30/2022**

**First Licensed: 2/25/2014**

**Expires: 2/24/2024**

**Type of License: Principal Broker**

**History: 2020 Consent Order for Escrow Account Earnest Money violation**

Complainant is a property owner. Respondent is a TREC licensee.

Complainant states filed a lawsuit against Respondent for attempting to cloud the title of Complainant's home. Complainant alleges that Respondent filed a lien against Complainant's home on June 16, 2022, in the amount of \$17,300.00 for labor and material to finish the basement. Complainant states the lien says the first day lienor provided labor was on April 5, 2022. Complainant says it has never contracted with Respondent and the lien is fraudulent. Complainant alleges a conspiracy between Respondent and another individual to in that the lien filed by the Respondent was a scheme to recover real estate sales commission that Respondent forfeited during the sale of a home. Complainant alleges that Respondent also forged a letter from a title company on October 18, 2021, stating that Complainant was going to give all the proceeds from the sale of property to another individual.

Respondent states it has not attempted to cloud the title to the property. Respondent states the lien was placed on the property for \$17,300.00 due to non-payment of money that Respondent loaned for repairs and refinishing the home. Respondent states the loan took place many months after closing and is not related to a real estate commission. Respondent states it forfeited the sales commission because the buyer was short \$20,000.00 plus in closing costs and the closing would not have occurred

on that day absent giving up the sales commission. Respondent denies forging the letter from the title company.

Given the ongoing litigation between Complainant and Respondent, Counsel recommends placing the complaint in Litigation Monitoring

**Recommendation: Place in Litigation Monitoring**

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

**New Information: Counsel submitted a request for investigation in this matter. The investor stated that this matter is still in litigation, and it appears it may be a while for the matter to be resolved. In the event the Respondent is found guilty, they would need to report it to the Commission within 60 days of the conviction becoming final, pursuant to T.C.A. 62-13-302(f). Based off the length of this matter, Counsel recommends that the matter be closed, and the Respondent be flagged due to the nature of the allegations.**

**New Recommendation: Close and Flag.**

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

54. **2022035351**  
**Opened: 9/6/2022**  
**First Licensed: 5/28/2019**  
**Expires: 5/27/2025**  
**Type of License: Affiliate Broker**  
**History: None**

Complainant is an owner. Respondent is a listing agent.

Complainant states they are an owner, and the property is held in two equal trusts. Complainant states that members of the second trust conspired with Respondent to sell the house and 80 acres without the verbal or written authorization of any owner of the first trust. Complainant states Respondent encouraged buyer to move into the house. Respondent states they have started the eviction process, obtained legal counsel, and are seeking criminal and civil charges against all parties involved.

Respondent states Complainant mentioned the property as being held in two equal trusts when in fact, it is not. The property was owned by two brothers until one passed away. The property was then transferred to the widow and his brother through an Affidavit of Heirship in 2017. It is my understanding now, after having performed a title search through a title company that the property has 7 owners all of which share an equal interest in the property, that being 16.66666% as explained to Respondent from title company.

Respondent states the property survey was delayed and the seller agreed to allow the buyers to move into the house prior to closing. Respondent states the title search was completed that showed there were 7 owners after the buyers had moved into the house. Respondent states there are 2 attorneys involved and the closing is halted pending the outcome of the dispute.

Counsel's opinion is that it appears this matter is or will be in litigation, Respondent made a good faith effort to determine ownership and relied on the seller statements, seller's attorney, and Respondents own tax record research. Counsel recommends placing the matter in litigation monitoring.

**Recommendation: Litigation Monitoring**

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

**New Information: Counsel submitted a request for investigation in this matter. The investor stated that this matter is still in litigation, and it appears it may be a while for the matter to be resolved. In the event the Respondent is found guilty, they would need to report it to the Commission within 60 days of the conviction becoming final, pursuant to T.C.A. 62-13-302(f). Based off the length of this matter, Counsel recommends that the matter be closed, and the Respondent be flagged due to the nature of the allegations.**

**New Recommendation: Close and flag.**

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

55. 2022036391  
Opened: 9/6/2022

**First Licensed: 10/10/2017**  
**Expires: 10/9/2025**  
**Type of License: Affiliate Broker**  
**History: None**

The complaint is a TREC Administrative Complaint opened in relation to allegations made in TREC Complaint number 2022016891. The Respondent is a TREC licensee.

Information gleaned from Complaint number 2022016891 alleges Respondent would be indicted on charges related to voter fraud and perjury.

The Respondent admits to being charged with voter registration fraud and perjury. The Respondent states the charges are pending in court and have nothing to do with any real estate transaction. Respondent goes on to say, "This is part of a political stunt and an attack against my family."

The status does not require the Respondent to report anything to the Commission. In the event the Respondent does accept or is found guilty, Respondent will then need to request an appearance before the Commission within 60 days of the conviction becoming final pursuant to T.C.A. § 62-13-312(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**

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

**New Information: Counsel submitted a request for investigation in this matter. The Respondent had charges for perjury and a violation related to voter registration. The investigator provided documents. This matter has been concluded with all charges being dismissed. Counsel recommends this matter be dismissed.**

**New Recommendation: Dismiss.**

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



**The meeting adjourned at: 10:55 AM**

