



**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 held a meeting on January 12, 2022, at 8:30 a.m. CST at the Davy Crockett Tower located at 500 James Robertson Parkway Nashville, TN 37243. In addition, the meeting was streamed virtually via Microsoft TEAMS meeting platform. John Griess called the meeting to order and welcomed everyone to the Board meeting. Associate General Counsel Anna D. Matlock read the public disclaimer and called the roll. The following Commission Members were present: Commissioner Joe Begley, Commissioner Geoff Diaz, Commissioner Stacie Torbett, Commissioner DJ Farris, Commissioner Steve Guinn, Commissioner Joan Smith & Chairman John Griess. Vice-Chair Marcia Franks, and Commissioner Jon Moffett were absent. Quorum Confirmed. Others present: Associate General Counsel Anna D. Matlock, Associate General Counsel Dennis Gregory, Associate, Paralegal Carol McGlynn, Education Director Ross White, and TREC staff member Aaron Smith.

The January 12, 2022 board meeting agenda was submitted for approval.

Motion to approve the agenda was made by Commissioner Farris and seconded by Commissioner Begley. Motion passed unanimously.

Minutes for the November 10, 2021 board meeting were submitted for approval.

Motion to approve the November 10, 2021 minutes was made by Commissioner Diaz and seconded by Commissioner Guinn. Motion passed unanimously.

## **INFORMAL CANDIDATE APPEARANCES**

Olivia Langford and Principal Broker Pablo Pereyra appeared before the Commission to obtain approval for Ms. Langford's Affiliate Broker license.

Motion to approve Ms. Langford was made by Commissioner Guinn and seconded by Commissioner Torbett. Motion passed 6-0 with Commissioner Diaz abstaining.

Jeremy Deal and Principal Broker Jerry Baggett appeared before the Commission to obtain approval for Mr. Deal's Affiliate Broker license.

Motion to approve Mr. Deal was made by Commissioner Diaz and seconded by Commissioner Torbett. Motion passed 6-1 with Commissioner Guinn voting no.

Joshua VanZile and Principal Broker Mark Williams appeared before the Commission to obtain approval for Mr. VanZile's Affiliate Broker license.

Motion to approve Mr. VanZile was made by Commissioner Diaz and seconded by Commissioner Torbett. Motion passed unanimously.

## **WAIVER REQUEST**

Associate General Counsel Matlock presented Ron Harmon to the Commission seeking a Medical Waiver request.

Motion to approve Mr. Harmon's waiver request if the \$75 fee is paid by 1/31/2022 or approval is null, and void was made by Commissioner Farris and seconded by Commissioner Torbett. Motion passed unanimously.

## **EDUCATION REPORT**

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

Motion to approve courses J1-J46 with exception to J12, J26-J27 was made by Commissioner Diaz and seconded by Commissioner Guinn. Motion passed unanimously.

After further discussion a motion to approve courses J12, J26-J27 was made by Commissioner Farris, and seconded by Commissioner Begley. Motion passed unanimously.

Education Director Ross White presented the Instructors Biography to the Commission.

Motion to approve instructor's biography was made by Commissioner Diaz and seconded by Commissioner Smith. Motion passed unanimously.

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

Associate General Counsel Matlock updated the Commission on the topic below.

- **MISCELLANEOUS:** Dana Lee, TREC's newest staff member was introduced to the Commission.

### **REAL ESTATE EDUCATION AND RECOVERY ACCOUNT**

Associate General Counsel Anna Matlock presented the Commission with a draft copy of the proposed claim form to be used for future claims by those aggrieved persons that qualify to recover funds from the real estate education and recovery account. Ms. Matlock requested that the Commission review the form and bring any edits, suggestions, or questions to the February meeting.

Mr. Roger Thomas appeared on behalf of his client Ms. Xiaoyun Gao. Mr. Thomas presented the letter addressed to the Commission concerning the claim, a background, and submitted his argument for the amount of funds he believes his client is entitled to recover from the real estate education and recovery account. Discussion with the Commission, Ms. Matlock, and Mr. Thomas took place regarding to outstanding matters (1) how many transactions are recoverable to Ms. Gao and (2) if the Commission can enter into an agreement possibly with Ms. Matlock or the Legal Department and Attorney General's Officer regarding the statutory language of subrogation after payments are disbursed to Ms. Gao. The parties agreed to continue this information to the February meeting. In the interim,

Ms. Matlock informed the Commission she would provide electronic copies of the printed documents provided by Mr. Thomas.

### **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 1-85 with exception of the following complaints, which were pulled for further discussion: **2021067221, 2021067311, 2021068081, 2021066111, 2021070621, 2021071301, 2021068631, 2021060531, 2021074811, 2021073841, 2021064261, 2021072041, 2020003711.** This motion was made by Commissioner Diaz and seconded by Commissioner Torbett. Motion passed unanimously.

After further discussion by the Commission on complaint 2021067221, Commissioner Diaz made the motion **to accept counsel's recommendation but voted to increase the civil penalty to \$1,000.00.** The motion was seconded by Commissioner Farris. Motion passed unanimously.

After further discussion by the Commission on complaint 2021067311, Commissioner Farris made the motion **to accept counsel's recommendation.** The motion was seconded by Commissioner Smith. Motion passed unanimously.

After further discussion by the Commission on complaint 2021068081, Commissioner Farris made the motion **to accepted counsel's recommendation.** The motion was seconded by Commissioner Begley. Motion passed unanimously.

After further discussion by the Commission on complaint 202106611, Commissioner Diaz made the motion **to accepted counsel's recommendation.** The motion was seconded by Commissioner Farris. Motion passed unanimously.

After further discussion by the Commission on complaint 2021070621, Commissioner Diaz made the motion **to accept counsel's recommendation, but voted to increase the civil penalty to \$1,000.00.** The motion was seconded by Commissioner Smith. Motion passed unanimously.

After further discussion by the Commission on complaint 2021071301, Commissioner Diaz made the motion **to accepted counsel's recommendation**. The motion was seconded by Commissioner Begley. Motion passed unanimously.

After further discussion by the Commission on complaint 2021068631, Commissioner Begley made the motion **to accepted counsel's recommendation and voted to administratively open a complaint against the Principal Broker for failure to supervise the affiliate**. The motion was seconded by Commissioner Diaz. Motion passed unanimously.

After further discussion by the Commission on complaint 2021060531, **Commission declined to amend their previous decision of a Consent Order with a \$500.00 civil penalty for failure to exercise reasonable skill and care**

After further discussion by the Commission on complaint 2021074811, **Commission voted for the civil penalty to remain at \$1000.00**

After further discussion by the Commission on complaint 2021073841, Commissioner Farris made the motion **Commission voted for the civil penalty to remain at \$1,000.00**. The motion was seconded by Commissioner Diaz. Motion passed unanimously.

After further discussion by the Commission on complaint 2021064261, Commissioner Diaz made the motion **to accepted counsel's recommendation**. The motion was seconded by Commissioner Farris. Motion passed unanimously.

After further discussion by the Commission on complaint 2021072041, Commissioner Guinn made the motion **to accepted counsel's recommendation**. The motion was seconded by Commissioner Farris. Motion passed unanimously.

After further discussion by the Commission on complaint 2020003711, Commissioner Diaz made the motion **to accepted counsel's recommendation**. The motion was seconded by Commissioner Torbett. Motion passed unanimously.

## Consent Agenda Complaints

**Dennis Gregory:**

### **Complaints:**

1. 2021067221  
Opened: 10/18/2021  
First Licensed: 3/20/2017  
Expires: 3/19/2023  
Type of License: Affiliate Broker  
History: 2019 Agreed Citation for offering a cash incentive for information on sellers

The Complainant is the buyer's broker, and the Respondent is the listing agent and owner.

The Complainant says the Respondent misrepresented the subject listing. According to the Complainant, the property was a duplex. The Complainant alleges the MLS presented the property as "bone dry" in the crawlspace; however, the Complainant says they could not even view the crawlspace as it was nailed shut. During the buyer's inspection, it was discovered the property had no vapor barrier. He claims the MLS stated the HVAC was three years old, although the two HVACs were roughly 10 years old. The MLS stated "new roof" and the Complainant says it was two years old. The square footage was listed as "1,720." The Complainant claims the square footage per the appraisal and tax record, respectively, were 1,358 and 1,360. Finally, the Complainant says the MLS stated the electrical wiring was "new from walls to panel." The inspection revealed that some outlets needed to be replaced with GFCI. When the Respondent was confronted with this information, he did not provide any details. As best as can be discerned, the Complainant's buyer did close on the property.

The Respondent says, "I had some data advertised that was incorrect, but not on purpose." The Respondent largely admits to the discrepancies, but he says that he bought the property less than nine months before he listed it. He claims that the condition of the crawlspace and the ages of both the HVACs and roof were based on conversations with the previous owner. He says he measured the square footage himself using a digital wheel and came up with 1,700 each time. Nevertheless, because of his inaccuracy, he says he adjusted the price for the Complainant's buyer that they worked out during the contract. He says in the future he will "try to learn how to read the model stickers and the HVAC units and maybe just not list something unless I know beyond a shadow of a doubt I'm accurate."

**Recommendation:** Authorize a formal hearing with authority to settle by Consent Order with a \$500 civil penalty for a violation of Tenn. Code Ann. § 62-13-403, which states, A licensee who provides real estate services in a real estate transaction shall owe all parties to the transaction the following duties: (1) Diligently exercise reasonable skill and care in providing services to all parties to the transaction; and (4) Provide services to each party to the transaction with honesty and good faith.

**Commission Decision: The Commission accepted counsel's recommendation, but voted to increase the civil penalty to \$1000.00.**

2. 2021067311  
Opened: 10/18/2021  
First Licensed: 10/12/2015  
Expires: 10/11/2023  
Type of License: Affiliate Broker  
History: None

The Complainant is a TREC licensee, and the Respondent is the listing agent.

The Complainant alleges the Respondent is advertising a condo; however, it is still not yet on the market. The Respondent says the seller instructed them to place their sign in the seller's yard. As best counsel can discern, the home is not listed on the MLS. This is the extent of the complaint.

The sign meets all applicable rules as it relates to advertising. There does not appear to be a violation of statute or rule as to placing the sign in the yard before it goes on the MLS.

**Recommendation:** Close.

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

3. 2021067321  
Opened: 10/18/2021  
First Licensed: 10/12/2015  
Expires: 10/11/2023  
Type of License: Principal Broker  
History: None

The Complainant is a tenant, and the Respondent is the licensed property manager.

The Complainant says he did not receive his security deposit of \$2,000 after he vacated the Respondent's rental house. The Complainant says the Respondent informed him that he did not provide a 30-day notice and, therefore, the security deposit would be forfeited.

The Respondent says that the amount of the deposit is \$1,900 and not \$2,000. She claims that the Complainant called her on July 3, 2021 and informed her he would be moving at the end of the lease which was July 14, 2021. The Respondent eventually got a written notice from the Complainant; however, it was only an eight-day written notice rather than a 30-day written notice as the lease requires. The rental house also was in need of repairs after four years of the Complainant's occupancy. The security deposit covered some of the costs but not all. The Complainant also did not show up for the final inspection prior to turning over the keys.

The lease is quite clear that a written notice is required in order for the deposit to be returned. Not only that, but the repairs may be deducted from the deposit as well. The Respondent did not violate any applicable statutes or rules.

**Recommendation:** Close.

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

4. 2021068081  
Opened: 10/18/2021  
First Licensed: 4/20/2011  
Expires: 5/30/2023  
Type of License: Principal Broker  
History: 2019 Consent Order for Failure to Exercise Reasonable Skill and Care

The Complainant is the buyer, and the Respondent is the seller's broker.

The Complainant says she signed a purchase agreement on May 1, 2021 and intended to close and move in on or about August 19, 2021. The Complainant resided out of state at the time and was intending to relocate to Tennessee. The home was still under construction at the time the agreement was signed. The Complainant says the Respondent provided a floor plan as to what the house would look like following completion. The Complainant says the floor plan she was shown indicated a railing in the design. Her realtor, however, texted her pictures of the home a few months later that indicated the railing had been replaced with a wall. The Complainant claims the Respondent told her that the builder was trying to cut costs and that if she didn't like it she "could get out of the contract as they wanted to sell the house to someone other than me."

The Complainant eventually relocated to Tennessee after selling her home out of state. She claims that when she arrived, the home was still not finished. She also says that she had to pay \$4,000 extra to the builder to get the railing system installed. She signed an extension to the contract to get in the house by September 21. It soon became apparent that the home would not be finished by September 21. Consequently, the builder released the Complainant from the contract. The \$4,000 spent to replace the wall with a railing system was never refunded. The Complainant blames the Respondent for this. By the end of the complaint, the Complainant turns on her own broker as well.

The Respondent provides 208 pages of emails between the parties along with other various and sundry items. Ultimately, the \$4,000 was not earnest money and the decision to refund the money for the railing was up to the builder.

**Recommendation:** Close.

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



5. 2021065011  
Opened: 10/25/2021  
First Licensed: 4/8/1987  
Expires: 12/22/2022  
Type of License: Principal Broker  
History: 2015 Consent Order for Failure to Supervise

The Complainant is the buyer, and the Respondent is the seller's broker.

The Complainant contacted the Respondent about a house for sale that was not yet on the market. The Complainant claims the Respondent quoted a price of "\$189,000 or \$198,000 if the owner did not want to pay closing cost." The Complainant hired a broker to represent him, and the broker got in contact with the Respondent. At that stage, the Complainant alleges the terms of the sale were still the same as when he spoke with the Respondent. The Complainant says that the Respondent later became "hostile and confrontational" toward the Complainant and his broker.

After a showing conducted by the owner, personally, the Respondent "threatened" to raise the price and list the house. The Complainant put an offer in at \$200,000 in an attempt to beat the MLS listing. The bid was rejected; however, the house remained on the market until it sold for \$190,000.

The Respondent says he never provided a prospective listing for the property. He claims the first time he spoke with the Complainant was after the Complainant hired a broker. The Respondent believes the Complainant and owner may have discussed a price prior to his involvement. The Respondent says that due to the housing market, he advised the seller to take a few offers and then respond to all of them. Apparently, there was quite a bit of interest in the home with multiple offers being submitted. The Respondent presented all offers to the seller with the seller accepting an offer at \$235,000. The Complainant's offer was rejected. The Respondent also denies acting in a hostile manner relative to the Complainant or her broker.

The Respondent's duty was to the seller, although there is no evidence the Respondent acted in a manner that breached any duty of skill and care.

**Recommendation:** Close.

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

6. 2021066331  
Opened: 10/25/2021  
First Licensed: 11/21/1979  
Expires: 1/5/2023  
Type of License: Principal Broker  
History: None

The Complainants are the buyers, and the Respondent is the listing agent.

The Complainants say they made an offer on a house on September 23, 2021 with an extension until September 25. They claim the Respondent texted their broker at 11:43 am that the sellers were getting several offers. At 11:50 am the Complainants say their broker asked them to send additional verification that their lender didn't require an appraisal and a loan pre-approval. The documents were, apparently, sent immediately thereafter. At 12:04 pm, the Respondent supposedly informed the Complainants' broker that the seller had stopped showings and that they were "unofficially under contract." Later that afternoon, the Complainants claim they signed via DocuSign and were ready to proceed. At 2:11pm, however, the Complainants' broker called and told them the seller had decided to accept a new offer that came in a half hour earlier. It appears only the buyers had signed- the sellers had not. At best, a verbal agreement to terms had been reached.

The Respondent says the market for the property was highly competitive resulting in several offers. The Complainants eventually raised their offer which the sellers ultimately accepted. The Complainants' broker, apparently, tried to convince the Complainants not to lodge a complaint as they eventually got the property they wanted, albeit at a higher price.

The Complainants had a verbal agreement that was not binding on the parties. The sellers wanted to consider a late-submitted offer. This offer was out of the Respondent's hands. While the Complainants had to compete further for the property, the Respondent's initial duty was to his sellers.

**Recommendation:** Close.

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

7. 2021067251  
Opened: 10/25/2021  
First Licensed: 12/3/1986  
Expires: 5/14/2023  
Type of License: Principal Broker  
History: None

The Complainant is the buyer and a TREC licensee. The Respondent is the listing agent.

The Complainant says the Respondent listed a home on August 21, 2021 that he was interested in. He says that that within a few hours he sent a "very strong cash offer" with proof of funds. He claims that he received no response to his emails, calls, and texts. The offer was supposedly \$190,000 cash with an escalation clause at \$1,000 above highest up to \$235,000. The Complainant says he eventually heard from the Respondent who allegedly told him that she got 14 other offers, although his was a good offer. The home eventually sold to another buyer for \$190,000. The Complainant alleges the Respondent was representing both the buyer and the sellers. The "Confirmation of Agency Status"

contradicts this allegation, however. The document only reflects the Respondent was representing the sellers. The buyer who ultimately purchased the home was listed as “unrepresented” on the purchase and sale agreement.

Notwithstanding, the Complainant believes his offer was never presented to the sellers. He theorizes that the Respondent could make more money by representing both sides and causing her sellers to “lose \$45,000 so she can make a [sic] money by representing both sides.”

The Respondent says she got an initial offer from an unrepresented buyer prior to the Complainant’s offer. The Respondent explained that the property was in poor condition but that he was wanting to make an offer regardless. She claims she let him view the property after which time he wanted to write an offer “ASAP.” The offer was no appraisal, no inspection, and could close within three days. The Respondent says the sellers were pleased with this as they were wanting to unload the property quickly. Again, there is no evidence the Respondent was representing both parties.

The Respondent says she saw the Complainant’s offer, which she thought was good; however, the sellers wanted to go with the initial offer. The Respondent appears to have only followed the sellers’ guidance in declining the Complainant’s offer. The Respondent’s duty was to the sellers.

**Recommendation:** Close.

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

8. 2021068351  
Opened: 10/25/2021  
First Licensed: 12/27/1999  
Expires: 4/22/2022  
Type of License: Principal Broker  
History: None

This is an anonymous complainant alleging advertising violations. The Respondent is a principal broker in charge of the subject realty firm.

The complaint is a photograph of a realty firm’s billboard located in Tennessee. The alleged violations are handwritten on the photo. They include 1) unsubstantiated selling claims; 2) misleading statements; 3) pertinent details not disclosed; 4) agent phone# bigger than firm phone#; and 5) the group name is bigger than the firm name. In order to provide some additional context, the sign says: “Easiest Way to sell your home! Offer in 24 hours, No Showings, No Repairs.”

The Respondent says the realty group name is the same as the firm name. After a review of the license, the firm name is, in fact, the same as the group name. The issue is that the firm with whom they are “associated” is displayed in somewhat smaller lettering. Based

on the language in Tenn. Comp. Rules & Regs. 1260-02-.12(3)(b), the sign complies to the extent that the firm name is also the group name. The rule does not address the size of the phone numbers-only that the firm telephone number has to be displayed-which it is.

As to the first three alleged violations, the Respondent says the rest of the billboard is not misleading-they will make an offer within 24 hours with no showings required or repairs needed. Unless there is some other evidence that the Respondent failed to make an offer or did misrepresent something to a consumer, it is difficult to deem the language as misleading or unsubstantiated.

**Recommendation:** Close.

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

9. 2021065351  
Opened: 11/1/2021  
First Licensed: 6/16/2015  
Expires: 6/15/2023  
Type of License: Affiliate Broker  
History: None

The Complainant is the seller, and the Respondent is the buyers' broker.

With no details, the Complainant generally alleges the Respondent did the following: 1) misrepresented to her clients that there were multiple offers on the house when there were not; 2) misrepresented that her clients had been preapproved for a mortgage when they had not made contact with a lender; 3) rushed her clients into a contract they did not understand; 4) did not collect earnest money pursuant to the terms of the contract; and 5) failed to respond to all parties to the transaction. The Complainant was represented by a broker.

The Respondent says that she got a call from the listing agent who advised that an offer (one) might be coming. As a result of that call, the Respondent claims she relayed the information to her buyers. This was, apparently, the only discussion related to offers on the property. As to the preapproval issue, the Respondent claims that her buyers told her they were preapproved for \$350,000. Based on that, she told the Complainant's broker that her clients were preapproved. She goes on to say that a preapproval letter was not required as the MLS listing did not require one at the time of offer. As to rushing her clients into a deal, the Respondent denies this allegation. She says that she advised them in the opposite-to give the matter due consideration before making an offer. The Complainant was not privy to any conversations between the Respondent and her clients.

Regarding the earnest money, the Respondent admits that the earnest money was not deposited by her clients within the designated time. She goes on to say, however, that after her buyers withdrew from the deal, the buyers cut a check directly to the Complainant with no qualms.

Aside from being upset that the deal fell through, the Complainant is not specific as to what the real problem is. Although the buyers failed to pay down the earnest money within the stated time, they did compensate the Complainant after terminating the contract.

**Recommendation: Close.**

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

10. 2021068401  
Opened: 11/1/2021  
First Licensed: 5/11/2012  
Expires: 5/10/2022  
Type of License: Affiliate Broker  
History: None

This is an anonymous complainant alleging advertising violations. The Respondent is an affiliate broker.

The complaint is only a picture of the Respondent's billboard with violations noted on the picture. The alleged violations are the size of the affiliate broker's name relative to the firm name along with the phone numbers.

The Respondent says the lettering on the billboard was measured, and that the affiliate broker and firm name are the same size (counsel tends to agree). Since the complaint was lodged, a photo of the "updated" billboard clearly shows that the firm name is now larger than the Respondent's name. The billboard appears to have already been in compliance with Tenn. Comp. Rules & Regs. 1260-02-.12(3)(b) prior to the change undertaken by the Respondent.

**Recommendation: Close.**

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

11. 2021068421  
Opened: 11/1/2021  
First Licensed: 3/24/1999  
Expires: 3/21/2022  
Type of License: Affiliate Broker  
History: None

This is an anonymous complainant alleging advertising violations. The Respondent is an affiliate broker. This is likely the same Complainant as in #10 above.

The complaint is only a picture of the Respondent's billboard with violations noted on the picture. The alleged violations are the size of the affiliate broker's name relative to the firm name along with the phone numbers.

The Respondent says the lettering on the billboard was measured, and that the affiliate broker and firm name are the same size (counsel tends to agree). Since the complaint was lodged, a photo of the "updated" billboard clearly shows that the firm name is now larger than the Respondent's name. The billboard appears to have already been in compliance with Tenn. Comp. Rules & Regs. 1260-02-.12(3)(b) prior to the change undertaken by the Respondent.

**Recommendation:** Close.

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

12. 2021068441  
Opened: 11/1/2021  
First Licensed: 3/24/1999  
Expires: 3/21/2022  
Type of License: Principal Broker  
History: None

This is an anonymous complainant alleging advertising violations. The Respondent is an affiliate broker. This is likely the same Complainant as in #10 and #11 above.

The complaint is only a picture of the Respondent's billboard with violations noted on the picture. The alleged violations are the size of the affiliate broker's name relative to the firm name along with the phone numbers.

The Respondent says the lettering on the billboard was measured, and that the affiliate broker and firm name are the same size (counsel tends to agree). Since the complaint was lodged, a photo of the "updated" billboard clearly shows that the firm name is now larger than the Respondent's name. The billboard appears to have already been in compliance with Tenn. Comp. Rules & Regs. 1260-02-.12(3)(b) prior to the change undertaken by the Respondent.

**Recommendation:** Close.

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

13. 2021068461  
Opened: 11/1/2021

First Licensed: 3/24/2020  
Expires: 3/23/2022  
Type of License: Affiliate Broker  
History: None

This is an anonymous complainant alleging advertising violations. The Respondent is an affiliate broker. This is likely the same Complainant as in #10, #11, and #12 above.

The complaint is only a picture of the Respondent's billboard with violations noted on the picture. The alleged violations are the size of the affiliate brokers' team name relative to the firm name.

The Respondent says the lettering on the billboard was measured, and that the affiliate broker and firm name are the same size (counsel tends to agree). Since the complaint was lodged, a photo of the "updated" billboard clearly shows that the firm name is now larger than the Respondent's name. The billboard appears to have already been in compliance with Tenn. Comp. Rules & Regs. 1260-02-.12(3)(b) prior to the change undertaken by the Respondent.

**Recommendation:** Close.

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

14. 2021068481  
Opened: 11/1/2021  
First Licensed: 3/17/2020  
Expires: 3/16/2022  
Type of License: Affiliate Broker  
History: None

This is an anonymous complainant alleging advertising violations. The Respondent is an affiliate broker. This is likely the same Complainant as in #10, #11, #12, and #13 above.

The complaint is only a picture of the Respondent's billboard with violations noted on the picture. The alleged violations are the size of the affiliate brokers' team name relative to the firm name. The Respondent is in a team with the Respondent in #13.

The Respondent says the lettering on the billboard was measured, and that the affiliate broker and firm name are the same size (counsel tends to agree). Since the complaint was lodged, a photo of the "updated" billboard clearly shows that the firm name is now larger than the Respondent's name. The billboard appears to have already been in compliance with Tenn. Comp. Rules & Regs. 1260-02-.12(3)(b) prior to the change undertaken by the Respondent.

**Recommendation:** Close.

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

15. 2021066111  
Opened: 11/1/2021  
First Licensed: 12/16/2014  
Expires: 12/15/2022  
Type of License: Real Estate Firm  
History: None

The Complainant is the seller, and the Respondent is the firm with whom the buyer's broker is affiliated.

The Complainant says the buyer made an offer on her house on September 12, 2021. The contract stated that earnest money (\$15,000) would be deposited within five days of the Complainant's acceptance of the offer. The Complainant says she accepted the offer on September 12. The Complainant says the Respondent (firm) did not collect the earnest money until September 22. Ultimately, the deal fell through after the buyer walked away (no specific reason is given by either party). The Complainant now blames the Respondent for having to incur expenses in order to get the house ready to show again. The Complainant says she was in the midst of packing up the house when the deal fell through. Her logic being that had the earnest money been deposited on time, she could have withheld the money and used it to get the house back in showing condition.

The Respondent says their affiliate broker (buyer's broker) told the buyer numerous times that the earnest money was required pursuant to the contract. The Respondent says the buyer simply refused to deposit the money until September 22. The Respondent goes on to point out that, based on the Purchase and Sales agreement, if the earnest money is not received, the duty to notify the parties falls on the "holder." In this instance, the "Lawyer's Escrow Services" did not notify either the buyer OR seller that the earnest money had not been received by September 17. The Respondent says they had no duty to notify the seller or the seller's broker that the earnest money had not been deposited.

When the contract was finally terminated, all parties executed a mutual release in which it stated the money "was never deposited." Therefore, the Complainant seemed to be fine at the time with the buyer walking away with no consequences.

Both parties seem to leave out some details as to why, exactly, the buyer opted to not deposit earnest money until September 22. Also, if the money was deposited, why did the parties not extend the closing date? As the realty firm in this matter, the Respondent could only advise its affiliate broker to tell the buyer to comply with the contract-there was no way to force the buyer to pay the earnest money.

**Recommendation:** Close.

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



16. 2021067741  
Opened: 11/1/2021  
Unlicensed  
History: None

The Complainants are timeshare holders, and the Respondent is a timeshare company licensed and located in California. The Respondent is not a TREC licensee.

The Complainants say they were approached at a little league game in 2014 by one of the Respondent's representatives. They received a sales pitch for attendance at a presentation in which they eventually purchased the subject timeshare. The property or properties are/were in Truckee, CA. No property is located in Tennessee. In summary, they feel they are being overcharged by the Respondent and want out of the timeshare agreement.

The Respondent says they are not a TREC licensee. The Respondent says they were not aware that the Complainants were dissatisfied with their ownership.

TREC has no jurisdiction over this Respondent as there is no TN license. Further, all properties appear to be in California.

**Recommendation:** Close.

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

17. 2021069791  
Opened: 11/1/2021  
First Licensed: 2/5/2015  
Expires: 2/4/2023  
Type of License: Real Estate Firm  
History: None

The Complainant is a tenant in an apartment managed by the Respondent, and the Respondent is a property management entity.

The Complainant says there is black mold in her apartment's mechanical closet. The Complainant says the mold became an issue for her as she was having surgery on August 30, 2021. The Complainant claims she let the Respondent know before the surgery, but the mold was still left unaddressed after she returned from the hospital. This likely occurred because no one was in the apartment at the time. Apparently, a rep came by and took photos on September 7. The rep allegedly told the Complainant the black substance was not mold but mildew.

The Respondent, who holds a principal broker license, says that the maintenance crew did look at the spot in the closet. They informed the Respondent that the spot was mildew. The area has been checked as of September 29 with no signs of new growth. The drywall repair

will require the owner's approval if it is removed. The Respondent has thus far taken all reasonable steps to assist the Complainant.

While the property management entity is unlicensed, the principal broker in charge of the entity is licensed and in good standing.

**Recommendation:** Close.

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

18. 2021070201  
Opened: 11/1/2021  
First Licensed: 1/1/1901  
Expires: 12/10/2022  
Type of License: Real Estate Firm  
History: None

The Complainant is the buyer, and the Respondent is a realty firm.

The Complainant entered into a purchase and sale agreement for a new home in June 2020. The home was scheduled to close on October 15, 2020; however, the buyer's financing fell through and the home was not completed. The Complainant's earnest money was refunded.

In 2021, the Complainant put a contract down on a second house built by the same contractor. The Respondent received a pre-approval letter in January 2021. Due to Covid restrictions and the seller's health, the home was not started until March 2021. A new closing date was agreed upon for June 18, 2021. As the Complainant had to sign a new lease, the Complainant attempted to get the Respondent to include a new refrigerator and pay the Complainant's rent until the home was finished. The Respondent declined the Complainant's terms. The home sold to another party. Again, the Complainant's earnest money was refunded.

While these transactions were frustrating for the Complainant, the Respondent was not bound to accept the terms on the second house. The first house, as explained above, fell through due to the Complainant's financing.

**Recommendation:** Close.

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

19. 2021070621  
Opened: 11/1/2021  
First Licensed: 11/13/2019  
Expires: 11/12/2021 (Voluntarily Surrendered)  
Type of License: Real Estate Firm

History: None

This complaint was opened pursuant to the Commission's request during the October 2021 meeting. The Respondent is the property management entity that assumed the original Complainant's properties after the original Respondent sold out. \*While the license status is "voluntarily surrendered," the Respondent has a new name and license number and is currently in good standing. This stemmed from a change in the Respondent's original name where it was, apparently, just easier to voluntarily surrender the previous firm license.

The crux of this complaint as it relates to this Respondent is the return of the original Complainant's security deposits. The Complainant says that the checks were made out to her former tenants, which caused her to travel from CA to TN to get the checks negotiated to her. The Respondent admits to signing the checks in this fashion, although they did not do this with the intent to inconvenience the Complainant. According to them, this was an oversight. In fact, the Respondent provided documents to the original Complainant that were not provided by the original property management company (which was one reason for the original complaint).

**Recommendation: Authorize a formal hearing with authority to settle by Consent Order with a \$500 civil penalty for a violation of Tenn. Code Ann. § 62-13-403, which states, A licensee who provides real estate services in a real estate transaction shall owe all parties to the transaction the following duties: (1) Diligently exercise reasonable skill and care in providing services to all parties to the transaction**

**Commission Decision: The Commission accepted counsel's recommendation, but voted to increase the civil penalty to \$1000.00**

20. 2021069751  
Opened: 11/1/2021  
Unlicensed  
History: None

The Complainant is a tenant who lives in a home managed by the Respondent. The Respondent is a property management entity.

The Complainant lived in a home that was owned by one party to whom they paid rent directly. That owner later sold the property to a new owner who then turned the property management duties over to the Respondent. Unfortunately, the original owner did not effectively communicate the sale of the property to the Complainant. Consequently, when the new owners turned over the property management to the Respondent, the Complainant became afraid (or so they claim) that a phony entity was attempting to collect the rent. The Complainant made several demands that the new owners communicate with them directly.

The Respondent and the new owner did everything in their power to explain their role and how the Complainant could pay rent going forward. Since filing this complaint, the

Complainant moved out without notice (probably because they wanted out and thought filing a complaint would excuse their duty to pay rent). There are no violations of statutes or rules in this regard. The Respondent, however, has no known principal broker or real estate firm license despite requests from counsel to provide one.

**Recommendation: Authorize a formal hearing with authority to settle by Consent Order with a \$1,000 civil penalty for a violation of Tenn. Code Ann. § 62-13-301, which states, “it is unlawful for any person to directly or indirectly engage in or advertise or claim to be engaging in the business of or acting in the capacity of a real estate broker or affiliate broker without first obtaining a license.”**

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

21. 2021071301  
Opened: 11/8/2021  
First Licensed: 9/9/2011  
Expires: 9/8/2023  
Type of License: Principal Broker  
History: None

The Complainant is a former employee of the Respondent and not a TREC licensee. The Respondent is a principal broker in charge of a property management entity.

The Complainant says she performed “job duties for her previous employer in which a license is required.” She claims that she showed vacant apartments and houses to prospective tenants, but also negotiated lease contracts and renewals for which she received a “leasing bonus.” The Complainant also claims she made deposits into escrow accounts on the Respondent’s behalf. The Complainant ceased working for the Respondent in April 2021. There is some mention of a “hostile work environment” at the conclusion of the complaint, although there are no details in support of this.

The Respondent says the Complainant “assembled leases” for the Respondent’s review, rather than negotiating leases. The Respondent goes on to say that all leases are standardized and require little individual work. If a lease was modified, the Respondent alleges the Complainant would type the language; however, the Respondent would approve all modifications. The Respondent says that the Complainant merely discussed the information in the listings if an inquiry was made by a prospective tenant.

As to making deposits into escrow accounts, the Respondent says that the Complainant did make deposits; however, the Respondent always had oversight over these accounts. With respect to the “leasing bonus,” the Respondent says that he did compensate the Complainant in an amount ranging from \$5-\$20 for new leases or lease renewals, depending on the amount of involvement on each.

Tenn. Code Ann. § 62-13-104(a)(1)(E) says that an unlicensed “resident manager” or “employee” will not “negotiate the amounts of security deposits or rentals and shall not negotiate any leases on behalf of the broker.” Here, is it not clear that the Complainant was negotiating leases, rather only providing standard lease forms to tenants. Her duties should have been limited to “supervision, exhibition of residential units, leasing or collection of security deposits and rentals from the property.” It appears that her duties largely stayed within the statutory language. The leasing bonus is not prohibited, per se, as it appears that the Respondent was paying the Complainant an additional amount outside the lease transaction.

**Recommendation:** Close.

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

22. 2021071541  
Opened: 11/8/2021  
Unlicensed  
History: None

The Complainant is the sellers’ broker, and the Respondent is a real estate acquisition group.

The Complainant had listed the subject home in August 2021. There was a contract; however, the sale fell through due to some inspection issues with the home. After this, the Respondent’s representative approached the sellers about selling the property to them as they thought it would be a good flip property. The sellers told the Complainant very little as they were getting increasingly frustrated about unloading the property. In the end, the sellers saw an opportunity to possibly sell the house quickly rather than through the traditional listing approach. The Complainant felt as if the Respondent was attempting to steer the sellers in the wrong direction (and cut her out of a commission).

Ultimately, the Respondent backed away from the sellers after the Complainant spoke with the Respondent’s representatives. As the house has still not sold, the sellers may now re-engage with the Respondent. According to the Respondent, the Complainant has expressed a desire to withdraw this complaint. Counsel has not yet seen such a request; however, it does appear that both parties are on amicable terms now. Further, there does not appear to be any violations of statutes or rules. The Respondent, while unlicensed, was not attempting to engage in brokering but rather to purchase the subject property as an investment.

**Recommendation:** Close.

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

23. 2021072651  
Opened: 11/8/2021  
First Licensed: 12/11/2002  
Expires: 12/13/2022  
Type of License: Principal Broker  
History: None

The Complainant is an affiliate broker, and the Respondent is the Complainant's former Principal broker.

The Complainant had an independent contractor agreement with the Respondent's realty firm for a few months. According to the Complainant, the title company the Respondent uses made a mistake after a transaction where the title company supposedly failed to have the sellers' pay the \$450 transaction fee. The Complainant says she ended up paying it for her buyers. She claims the Respondent never reimbursed her. When the Complainant wanted to give the title company a bad on-line review, the Respondent apparently told her not to say anything. The Complainant says she has close ties with the title company.

The Complainant also says that the Respondent's commission rate is "half on both sides." She felt it was unfair as she was bringing the client to her. The independent contractor agreement is fairly clear on this.

The Respondent says the title company did make some errors in the subject transaction. The Respondent did follow up with the title company; however, she says the Complainant could have reviewed the HUD more closely prior to closing. As to the commission, she says the independent contractor agreement is clear on commissions. As to the "desk fee" the Complainant was charged, the Respondent says that occurred as a result of an ACH that was not turned off after the Complainant left the firm. As soon as she was made aware, she had the accounting folks fix the problem and refunded the amounts to the Complainant.

**Recommendation:** Close.

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

24. 2021072821  
Opened: 11/15/2021  
First Licensed: 9/13/2010  
Expires: 9/12/2022  
Type of License: Time Share Salesperson  
History: None

The Complainant is a timeshare owner, and the Respondent is a timeshare salesperson

The Complainant says he was misled by the Respondent in transferring his timeshare back in July 2020 and purchasing a "Condo Plus membership." He claims he signed the sales

contract before viewing the documentation concerning the transfer (he alleges the documents were not available). Apparently, he did not understand that he would be responsible for initiating the transfer rather than the Respondent's organization doing it for him.

The Respondent says he told him that if he did not like the points program, he could call the timeshare organization and ask them for an "opt out" form. As far as the documents not being at the meeting, he says that the documents were addressed and placed in the mail by his salesperson. He claims he does not know why it took so long for them to reach him.

**Recommendation:** Close.

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

25. 2021073061  
Opened: 11/15/2021  
First Licensed: 11/7/2016  
Expires: 5/19/2023  
Type of License: Principal Broker  
History: None

The Complainants are the sellers, and the Respondent is the sellers' broker.

The Complainants say they hired the Respondent to get their personal residence ready to list. The original estimate was roughly \$3,500. The Complainants then left to go to Texas to, presumably, look for a new house there. While they were gone, the cost to get the house ready increased to \$7,000. The junk haul-away folks also accidentally hauled off some items the Complainants did not want removed. Additionally, some of the interior repairs were somewhat lacking (doorknob missing and paint streaks).

The Respondent says that the \$3,000 was just to get started on the major issues needing to be addressed. She says that she told the Complainants they could save \$900 if they wanted to pull up the carpet themselves and dispose of it. They declined. The Respondent goes on to say that she found some used appliances to keep the cost down; however, once she got into the house more the more items she found. She says that one area in need of repair were the bathrooms that which needed a deep cleaning due to odor. The Respondent admits that due to the Complainants not being there and just communication woes, some of the Complainants' stuff was thrown away by the junk-haulers. She says she absorbed the \$200 cost for that and reduced her commission by \$2,500. The Respondent closes by saying she did her best to keep the renovations to a minimum.

Had both parties been at the house when the junk-haulers arrived, possibly those items in question could have been saved. The repairs to the house were necessary if the house was to be ready to list. There is no evidence the Complainants had communicated a ceiling at which they would pay no more for renovations. As best as counsel can discern, the

Respondent was free to use her discretion to get the house ready to sell. It is difficult to find a breach of the Respondent's duty of loyalty or a breach of skill and care.

**Recommendation:** Close.

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

26. 2021066481  
Opened: 11/22/2021  
Unlicensed  
History: None

The Complainant is a homeowner that utilized the Respondent to manage a rental property in TN. The Respondent is an unlicensed property manager.

The Complainant says she utilized the Respondent's "investment company" to manage her rental property in Tennessee. The Complainant resides in California. For whatever reason, the parties got into a disagreement about the lease. The Complainant called out the fact the Respondent had no TREC license and demanded to terminate their agreement. After this, neither the tenant nor the Complainant heard anything more from the Respondent. The Respondent has moved and will no longer take phone calls. The Complainant says the Respondent kept \$1,600 of security deposit funds and \$547 in rent.

The Respondent did not respond to the complaint. No mail or email was accepted or acknowledged. The Respondent appears to be unlicensed.

**Recommendation:** Authorize a formal hearing with authority to settle by Consent Order with a \$1,000 civil penalty for a violation of Tenn. Code Ann. § 62-13-301, which states, "it is unlawful for any person to directly or indirectly engage in or advertise or claim to be engaging in the business of or acting in the capacity of a real estate broker or affiliate broker without first obtaining a license."

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

27. 2021068631  
Opened: 11/22/2021  
First Licensed: 3/26/2014  
Expires: 3/25/2022  
Type of License: Affiliate Broker  
History: None

This is an anonymous complainant alleging advertising violations. The Respondent is an affiliate broker.



The complaint is only a picture of the Respondent's billboard. The alleged violation appears to be that the size of the affiliate broker's name is larger than the firm name. It appears to counsel that the broker's name is quite larger than the firm name.

**Recommendation: Authorize a contested case proceeding with authority to settle by Consent Order and payment of a \$500 civil penalty for violation of Tenn. Comp. Rules & Regs. 1260-02-.12(3)(b) which requires that “[a]ll advertising shall be under the direct supervision of the principal broker and shall list the firm name and the firm telephone number as listed on file with the Commission. The firm name must appear in letters the same size or larger than those spelling out the name of the licensee or the name of any team, group, or similar entity.”**

**Commission Decision: The Commission accepted counsel's recommendation and voted to administratively open a complaint against the Principal Broker for failure to supervise the affiliate**

28. 2021073441  
Opened: 11/22/2021  
First Licensed: 6/18/1990  
Expires: 4/9/2023  
Type of License: Principal Broker  
History: None

The Complainant is the seller, and the Respondent is the seller's broker.

The Complainant hired the Respondent to list her house in July 2021 (listed at \$499,000). The Complainant was living in Florida. The Complainant says that the initial offer had an expiration date of 10 months, which she says she never agreed to. She also says she requested an open house as soon as possible; however, she claims the Respondent did not do an open house until Labor Day. She believes this was in error as interested buyers would be fewer in number given the holiday. She goes on to say that she eventually sent a letter of termination, requesting that the listing come off the MLS but the Respondent ignored her. She also alleges she had problems with the home's pictures which did not get corrected.

The house sold pursuant to a final contract dated September 21, 2021 (\$489,000) with a closing date of October 6. At the closing, she claims the buyers were not present and the Respondent was stuck in traffic. The closing had to be extended after the buyers did not show up. She says the Respondent “talked” her into a pest inspection when she did not want to.

The Respondent says that the expiration date was an error that was later corrected. She explains that her listing coordinator inadvertently typed in “10 months” instead of “8 months.” The Respondent says the Complainant was agreeable to the change but did not sign or return the document. As to the open house, the Respondent says she was in the critical care unit with Covid around that time and was only able to get an open house on Labor Day. Contrary to the Complainant's earlier point, the Complainant sent an email to

the Respondent saying that a national holiday would bring more people to the open house rather than fewer.

As to the events on the day of closing, the Respondent says that she was able to finally get to the title company after being stuck behind an accident. After she arrived, she recommended that the Complainant provide a letter from a regular pest control company as the buyers had been agreeable on the contract (the house sold with a cash offer and no contingencies). The Complainant agreed to provide the inspection letter.

It is not clear what the Complainant's issue is here as the house sold a month before the complaint was lodged. Clearly, there were communication issues given the Complainant's presence in another state and the Respondent's stint in the hospital. The other problems appear to have no real explanation aside from the parties just not getting along.

**Recommendation:** Close.

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

29. 2021073571  
Opened: 11/22/2021  
First Licensed: 1/31/1995  
Expires: 9/19/2022  
Type of License: Principal Broker  
History: None

This is an anonymous complaint lodged by a TREC Licensee. The Respondent is a principal broker.

The Complainant says that one of the Respondent's agents passed away from an extended illness in August 2021; however, the Complainant says the agent's "team" advertising is still on-line (Counsel's review of the website indicates that although the web address is still in the deceased agent's name, the content does not reflect any sort of team advertising). The Complainant seeks to highlight the Respondent's duty to supervise as the principal broker.

The Respondent says that the deceased agent's husband was part of the agent's team, and they continue to update the website's branding. As mentioned above, the website does not give the impression that the deceased agent is still engaged in brokerage.

**Recommendation:** Close.

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

30. 2021073721  
Opened: 11/22/2021  
First Licensed: 4/2/2002

Expires: 7/8/2023  
Type of License: Principal Broker  
History: None

The Complainant is the seller, and the Respondent is the seller's broker.

The Complainant says she did not receive the full amount of proceeds after the sale and closing of her home in November 2020. The Complainant contends she was shorted roughly \$1,500. There is a picture of a ripped-up check for \$750, presumably to show the Complainant's disagreement with the amount she got. She is wanting TREC to help her get the \$1,500 she believes she is entitled to.

The Respondent says this is the first she has heard of this for nearly a full year. The Respondent claims that the Complainant was given a \$1,500 credit on the Respondent's commission in order to free up additional cash for the Complainant. According to the Respondent, the Complainant needed the money in order to pay for moving expenses. The response contains an email effectively supporting the reduced commission.

The Complainant is likely confused as to how she was going to receive credit. Furthermore, the Commission has no jurisdiction to obtain the funds for the Complainant. If the Complainant feels the Respondent breached the contract, then she should file a civil suit on her own.

**Recommendation: Close.**

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

31. 2021072951  
Opened: 11/22/2021  
First Licensed: 5/28/2014  
Expires: 9/2/2022  
Type of License: Real Estate Firm  
History: None

The Complainant is a tenant, and the Respondent is a property management entity.

The Complainant says that she was told she would only have to pay a \$250 deposit but then she claims that was increased. The Complainant also alleges the apartment unit had pests, and that the Respondent has been, generally, unresponsive to her. The property is a Section 8-approved residence.

The Respondent says they did, in fact, tell her that a higher security deposit would be needed based on the Complainant's credit score. Later, however, it was determined that since the tenant was Section 8 the \$250 would suffice. The Respondent goes on to say that the Section 8 voucher would have never been approved had there been a pest infestation.

Further, the Respondent says they have made a number of attempts to contact the Complainant about these issues.

**Recommendation: Close.**

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

**TIMESHARES:**

32. 2021066681  
Opened: 11/15/2021  
First Licensed: 8/23/2007  
Expires: N/A  
Type of License: Time Share Registration – Time Share Exempt  
History: None

The Complainant is a time share owner living in Alabama, and the Respondent is a time share licensee.

The Complainant says she and her mother were talked into purchasing a new time share in September 2020. As with similar complaints, the Complainant says they were pressured and did not know they had only 10 days to cancel (the contract was made available, but the Complainant did not review it until they returned from vacation).

The Respondent says the Complainant had one other time share from 2018. The Complainant, apparently, agreed to trade the 2018 contract to utilize equity toward the purchase of a new time share. They take the view that there is no basis to release the Complainant from the time share agreement. In rebuttal, the Complainant says the Respondent's response is dishonest as they claim the Complainant has no "history of complaints." The Complainant, to the contrary, has lodged complaints directly with the Respondent since this second time share agreement. Also, the Complainant says this response is just a cut and paste similar to the response given to the Alabama Attorney General's office.

**Recommendation: Close.**

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

**CASES TO BE REPRESENTED:**

33. 2021060531

Opened: 9/20/2021  
First Licensed: 6/12/2017  
Expires: 6/8/2023  
Type of License: Affiliate Broker  
History: None

The Complainant is the seller, and the Respondent is the buyer's broker.

The Complainant sold his home with an agent; however, this complaint is directed at the buyer's broker. The Complainant alleges the buyers did a walk-through on August 10, 2021 with closing the next day. The Complainant was later informed that the buyer was inside the home at noon on the day of closing. The Complainant's agent supposedly confirmed this who went to the home after closing around 1pm. The buyer told the agent that the Respondent had provided them a key from the lock-box the evening before walk-through. No physical damage was sustained to the home.

The Respondent does not deny giving the key to the buyers; however, he is adamant the buyers only received the keys after all loan documents were signed and all funds were wired. An email from the title company confirms this.

The Complainant simply seems put off by the buyers being in the home anywhere near the time the wire transfer was completed. There is no evidence of any breach of the duty of skill and care to any party.

**Recommendation:** Close.

**Commission Decision:** The Commission voted to authorize a formal hearing and issue a Consent Order with a \$500.00 civil penalty for failure to exercise reasonable skill and care.

**New Information:** According to the Respondent, the complaint was lodged at the request of the sellers' broker as she was angry that she did not receive a larger commission as originally anticipated. The Respondent theorizes that the sellers' broker asked the sellers to lodge the complaint as the complaint would have more impact. No one from the sellers' side seems interested in speaking to counsel either.

**New Recommendation:** Discussion.

**New Commission Decision:** The Commission declined to amend their previous decision of a Consent Order with a \$500.00 civil penalty for failure to exercise reasonable skill and care

34. 2021037981  
Opened: 6/22/2021  
First Licensed: 5/23/2003

**Expires: 10/15/2021**  
**Type of License: Affiliate Broker**  
**History: None**

The Complainant is not a TREC licensee. The Respondent is a TREC licensee whom the Complainant alleges posted “a slander and character of defamation campaign on Facebook when she wanted 6% instead of the 3% she had put on the agreed upon listing agreement.” There is little context to this complaint and only indicates it arose over some dispute related to a commission that ended up on social media.

The Respondent did not respond to the complaint.

**Recommendation: Authorize a contested case proceeding and assessment of a civil penalty in the amount of \$1,000 for failure to provide a response in violation of Tenn. Code Ann. § 62-13-313(2) [a licensee shall within 10 days to file an answer to the complaint].**

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

**New Information: The Respondent recently contacted counsel after counsel contacting the principal broker. The Respondent explains that the original complaint was never signed for at his address on file with the Commission. The green card, in fact, was not signed based on counsel’s review of the same. There is also no record that TDCI emailed a copy of the complaint to the Respondent.**

**If the complaint was not received at the Respondent’s business address or via email, there was no opportunity for the Respondent to respond. The Respondent has now provided a response, although the original complaint was largely without merit. The social media post referenced in the original complaint does not rise to the level of slander or defamation.**

**New Recommendation: Close.**

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

35. **2021074811**  
**Opened: 11/22/2021**  
**First Licensed: 3/26/2014**  
**Expires: 3/25/2022**  
**Type of License: Principal Broker**  
**History: None**

This is an Errors & Omissions (E&O) complaint. The Respondent is the Principal Broker.

The Respondent was mailed a Consent Order after her affiliate broker failed to renew her E&O coverage. As of January 29, 2021, the affiliate broker’s coverage had lapsed with her

insurance carrier. The Respondent says the affiliate broker misunderstood the requirement set forth in what the Respondent says were “numerous emails from me” advising them to renew her insurance. According to the Respondent, the affiliate only wrote one offer to purchase during the time she was affiliated with her. The affiliate has also paid a \$1,000 civil penalty for the lapse.

**Recommendation: Reduce the current civil penalty to \$700.**

**Commission Decision: The Commission voted for the civil penalty to remain at \$1000.00**

36. **2021073841**

**Opened: 11/15/2021**

**First Licensed: 10/3/2019**

**Expires: 8/27/2022**

**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 is an Errors & Omissions (E&O) complaint. The Respondent is the Principal Broker.

The Respondent was mailed a Consent Order after his affiliate broker failed to renew her E&O coverage. As of January 29, 2021, the affiliate broker’s coverage had lapsed with her insurance carrier. The Respondent says the affiliate broker left his firm in October 2021 and after the affiliate’s license fell into a “suspended” status in November, the Respondent broker-released the affiliate.

The Respondent says he has no way to verify E&O and feels it is somewhat “unfair” that he is liable if he cannot get in touch with the affiliate broker. Apparently, the affiliate had told the Respondent sometime ago that the E&O was current. The affiliate broker has also already paid a \$1,000 civil penalty for the lapse.

**Recommendation: Reduce the current civil penalty to \$700.**

**Commission Decision: The Commission voted for the civil penalty to remain at \$1000.00**

**Pamela Vawter:  
Complaints**

37. **2021055671**

**Opened: 9/7/2021**

**First Licensed: 11/2/2009**

**Expires: 1/25/2023**

**Type of License: Principal Broker**

**History: None**

Complainant is a Tennessee resident. Respondent is a licensed principal broker.

Complainant is the owner of a company that owns apartment buildings. Complainant alleges the company hired Respondent to provide property management services to one of the apartment complexes. Complainant and Respondent entered into a written agreement that set out acts and activities for which Respondent would be responsible. The parties to the agreement were Complainant's company and Respondent on behalf of an LLC. The majority of the Complainant's concerns involve allegations that Respondent exceeded the scope of his authority under the contract, which is a contract dispute/interpretation matter. Additionally, Complainant alleges that his bank advised him that Respondent had set up an account in the name of his limited liability company, which Complainant alleges Respondent used to funnel rent monies to Respondent's business.

Complainant also alleges that Respondent "stole" \$3,000.00. in petty cash. He alleges that his accountant sent \$3,044.00 to Respondent's account specifically for payment of an invoice. Complainant alleges that Respondent kept the money in the account and never paid the invoice. Complainant alleges that money has not been returned and payment had to be reissued for invoice. Respondent submitted a response denying the allegations and providing a copy of the contract and supporting documentation. With regard to his bank account, Respondent states that it was clear from contract that his limited liability company would be used to provide services. Respondent's initial response did not address the specific allegations regarding the nature of the account and its use.

The matter was sent out for further investigation. Respondent provided a supplemental response via his attorney stating that the account opened by the LLC was a business checking account to serve as the operating account for Respondent's properties that Respondent managed. Respondent established and used the account to pay the expenses that Respondent and the owner company instructed him to pay.

Complainant was asked to provide additional details concerning the alleged theft of petty cash. Complainant's response clarifies that Complainant is alleging Respondent used money from the petty cash account to pay a certain supplier. Respondent denies the allegation and states that the owner company owed an outstanding balance to the supplier, but the operating account lacked sufficient funds to pay the outstanding balance. Respondent provided a copy of the invoice and an email from the supplier verifying that the account was paid in full on the same day the statement went out.

These parties have civil litigation pending. Respondent alleges that all expenses were due and payable by the owner company under the property management agreement upon termination, and Respondent is owed unpaid expenses and unpaid fees under the contract. Complainant filed a suit enjoin Respondent from going on the property, and a mutual restraining order has been issued by the court against both parties.



As noted in the investigation report, the documents Complainant has submitted do not seem to support his allegations. Most of Complainant's allegations pertain to whether Respondent exceeded his authority under the parties' property management agreement, which is outside the Commission's scope of authority to decide. Complainant's supplemental statement provided in the investigation appears to withdraw any allegations about the operating account. Complainant does not provide any documentation to support the allegation that Respondent "stole" petty cash, and the allegation that Respondent kept money that was intended to pay a supplier's invoice does not appear substantiated based on Respondent's documentation. Based on the information provided, there appears to be insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

38. 2021064801  
Opened: 10/11/2021  
Unlicensed  
History: None

Complainant is a licensee. Respondent is a holding company that owns a number of national real estate brands.

Complainant received an email from a non-profit, members-only organization that went out to its members advising them about tips for success in the real estate market and members' benefit of access to real estate agents from brands owned by Respondent. The email advised that if members were interested, they could call a designated number for Respondent to speak with an advocate who could provide an explanation about their member benefits. If the member wished to proceed, the advocate would connect them with a local real estate agent from one of Respondent's brands. The email provided generally that members could receive benefits of a cash back, gift card, or commission reduction at closing. The email provided specific information as to what type of transactions would apply and what benefit the organization would offer its members depending on their state. In Tennessee, the organization would issue a gift card to be used at closing. Complainant submitted the complaint requesting specific clarification as to whether the email violated the prohibition in the Tennessee Real Estate Broker License Act, Tenn. Code Ann. § 62-13-302(b), concerning cash gifts as interpreted by the Commission at its October 8, 2020 meeting to include gift cards.

Respondent submitted a response via its attorney stating that the card referenced in the email is a loyalty card used in the non-profit organization's program that gives members an optional method of payment. Respondent states the non-profit's affinity loyalty card is not a prepaid gift card. Respondent states it can only be used at a limited list of retailers and cannot be exchanged or refunded for cash. Respondent further denies that it has violated Tenn. Code Ann. § 62-13-302(b) because Respondent does not hold a license in

Tennessee, and the statute applies specifically to Tennessee real estate licensees. Respondent states it is a foreign corporation holding a real estate license issued by another state and does not conduct broker activity in Tennessee. Respondent states that if it is contacted by a local member of the non-profit organization, it is turned over to licensed Tennessee brokers.

Tenn. Code Ann. § 62-13-302(b) provides that “[a] real estate licensee shall not give or pay cash rebates, cash gifts or cash prizes in conjunction with any real estate transaction.” (Emphasis added). In this case, the Respondent is not a Tennessee real estate licensee, nor is the non-profit organization who sent the email advertising the benefit to its members. Based on the information provided, there is insufficient evidence that Respondent violated the prohibition in Tenn. Code Ann. § 62-13-302(b) (and the Commission’s October 8, 2020 interpretation) on cash gifts. There is no local licensee named as a respondent in the complaint nor alleged to have violated the statute. As such, the issue of whether a local licensee would be in violation of the statute by offering the loyalty card described in the email is not one that can be addressed or resolved by this complaint against this Respondent. If Complainant believes Respondent has engaged in conduct that violates the rules or statutes of the Real Estate Commission in the state where Respondent holds a license, Complainant has the option of pursuing a complaint against Respondent through venue.

**Recommendation: Close**

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

- 39. 2021069061  
Opened: 10/18/2021  
First Licensed: 11/12/2019  
Expires: 11/11/2021  
Type of License: Affiliate Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed affiliate broker.

Complainant is a managing member of an LLC that entered into a contract to purchase a home on or about October 2, 2021. Complainant alleges that several faults were found during inspection on October 6. On October 7, Complainant submitted, through his agent, drafted a notification of cancellation and requested to receive his earnest money deposit. Respondent represented the seller. Complainant alleges that Respondent refused to refund the earnest money and delivered a notification form providing that the seller would keep the earnest money. Respondent filed the complaint on October 8.

Respondent and her principal broker each submitted responses stating that they received Complainant’s notification form on October 8. Respondent made the seller aware of Complainant’s demand for earnest money. The seller had Respondent submit a notification

in which the earnest money was forfeited to seller. The purchase and sale agreement provided that the home inspection was “for informational purposes only,” and they did not feel that any structural issues were found in the inspection. Respondent’s principal broker states that Complainant is unaware that Respondent did not have authority to release the earnest money. The earnest money was held by the title company. On October 13, the parties executed a mutual release splitting the earnest money.

Respondent did not have authority to release the earnest money, and Respondent was not holder. The issue was resolved in a reasonably prompt manner when the parties executed a mutual release to split the earnest money within five days of Respondent having received Complainant’s notification form. Based on the information provided, there is insufficient evidence that Respondent violated the rules/statutes of the Commission.

**Recommendation: Close**

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

40. 2021069661  
Opened: 10/18/2021  
First Licensed: 7/1/2016  
Expires: 6/30/2022  
Type of License: Affiliate Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed affiliate broker.

Complainant alleges that she requested to Respondent on Tuesday, October 12, 2021, that all of her contracts be cancelled. She states in her complaint filed on October 13, 2021, that Respondent had not called or emailed her “today” to let her know if her contracts were cancelled. Complainant states she is pregnant, and this caused her stress. Complainant then states Respondent did send an email telling her he would let her know what the sellers wish to do. Complainant believes this was unethical as Respondent should be representing her interests. Complainant states she became unhappy with Respondent because he did not understand what she wanted. She states that she sent him listings that were less expensive, and it was ignored. She states she wanted to go in below asking price, but Respondent would only write an offer for \$5,000 to \$10,000 below. She alleges that Respondent would provide her proof of funds to the seller’s listing agent, which Complainant believes caused her not to get better deals because the seller would know what she could pay. She alleges she told Respondent on Friday to make an offer of \$910,000.00 on a property that was listed for over a million dollars, and Respondent had not sent her an offer yet. Complainant does not provide any documentation to support any of the claims in her complaint.

Respondent’s principal broker submitted a response stating that Complainant had a number contracts on expensive cabins that she owned. Complainant was referred to Respondent’s firm by the relocation department of a real estate company in Complainant’s state. The

broker states that, because of the number of properties she was purchasing and the purchase price, it was the firm's policy to request proof of funds. He states that Complainant never paid her earnest money as agreed in the contracts. When the earnest money had not arrived as agreed upon, Complainant was notified. Thereafter, she contacted the relocation company to advise wanted out of the contracts. The referring company called on October 12, 2021, to advise that Complainant wished to cancel the contracts believing them to be too expensive. Complainant also contacted Respondent's assistant, who advised that she would let Respondent know she he could discuss what could be done. Complainant stated that she did not want Respondent to contact her or give Respondent her new email address.

Respondent discussed the situation with his broker, who instructed Respondent to notify each of the cooperating listing agents of the situation. The broker reviewed the 300 pages of emails relating to the sales, with Respondent responding to Complainant's instructions.

Respondent submitted a response stating that at the time Complainant contacted him on Friday about making additional offers, Complainant had already defaulted on several of her current contracts by not providing earnest money deposits. Respondent said he did submit the offer, which was \$70,000.00 below asking price per Complainant's instructions. There was another off-market property next to this for which Complainant wished to make an offer that was \$375,000.00 below what the agent said the sellers were asking. Because it was an off-market property, Respondent states his plan was to follow up with Complainant on Monday, October 11, but Complainant had blocked his calls and emails, and Respondent was unable to get in touch with her. Respondent states he denies Complainant's allegation that he would not offer less than \$5,000.00 - \$10,000.00 below asking price. Respondent submitted offers that were on multiple properties for Complainant that were \$15,000.00 - \$30,000.00 below asking price. After losing those bids, Respondent states they became more aggressive in making higher offers, which Respondent states was needed due to the short timeline Complainant gave of wanting to buy multiple high-income earning cabins in two weeks.

Respondent further denies not being responsive to Complainant regarding listings on lower priced properties. Respondent states that two of the properties under contract were lower priced. He states that lower priced properties Complainant referenced did not fit Complainant's criteria or high earning investments and had multiple bids already. He states Complainant told him she did not want to be in a bidding war.

Respondent states he had no authority to release Complainant from her contracts with the sellers. He states Complainant had already defaulted on several contracts by not paying any earnest money or completing inspections on several properties. On the day Complainant notified the firm, he reached out to all eight listing agents and asked them to let him know what they wished to do, which he attempted to advise Complainant.

Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

41. 2021064431  
Opened: 10/18/2021  
First Licensed: 5/31/2017  
Expires: 5/30/2023  
Type of License: Real Estate Firm  
History: None

Complainant is a Tennessee resident. Respondent is a licensed real estate firm. This matter is related to Case No. 2021068081 (No. 4) above against the principal broker for the Respondent firm.

Complainant alleges she executed a purchase and sale agreement on May 1, 2021, intending to close and move in on or about August 19, 2021. Complainant resided out of state at the time and was intending to relocate to Tennessee. The home was still under construction at the time the agreement was signed. Complainant alleges Respondent provided a floor plan as to what the house would look like following completion. Complainant says the floor plan she was shown indicated a railing in the design. Her agent, however, texted her pictures of the home a few months later that indicated the railing had been replaced with a wall. Complainant claims Respondent told her that the builder was trying to cut costs and that if she didn't like it she "could get out of the contract as they wanted to sell the house to someone other than me."

Complainant eventually relocated to Tennessee after selling her home out of state. She claims that when she arrived, the home was still not finished. She also says that she had to pay \$4,000 extra to the builder to get the railing system installed. She signed an extension to the contract to get in the house by September 21. It soon became apparent that the home would not be finished by September 21. Consequently, the builder released the Complainant from the contract. The \$4,000 spent to replace the wall with a railing system was never refunded. Complainant blames the Respondent for this. By the end of the complaint, the Complainant turns on her own broker as well.

Respondent's principal broker provided 208 pages of emails between the parties along with other various items. Ultimately, the \$4,000 was not earnest money and the decision to refund the money for the railing was up to the builder. This is a contract dispute between Complainant and the builder. Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation:** Close.

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

42. 2021070121  
Opened: 10/25/2021  
First Licensed: 10/18/2017  
Expires: 10/17/2023  
Type of License: Affiliate Broker  
History: None

Complainant is a Tennessee resident. Respondent is a licensed affiliate broker.

Complainant alleges that Respondent offered to represent him as a buyer and remove 1.5% of the listing price by reducing commissions. Complainant alleges he did not receive any paperwork regarding working with Respondent and found out after offers were made that Complainant did not represent him. Complainant alleges Respondent directed him on what was fair to offer and persuaded him to go with Respondent's lender.

Respondent submitted a response via her principal broker stating that Respondent never offered to represent Complainant, never provided real estate advice, and only ever operated within her scope as listing agent by showing the property, providing the property disclosures and a list of comparables requested by the Complainant. Respondent states Complainant was aware that Respondent did not represent him as he had repeatedly requested a discount on the property by Respondent lowering her commission because Complainant was unrepresented. Respondent never agreed to lower her commission. Respondent recommended the better action would be for the seller to make a concession toward closing costs. An offer never materialized at this point, and so no further discussions took place on the issue. Respondent states that Complainant was aware he was not represented as he did choose to hire an agent to make an offer, which was rejected. Respondent denies directing Complainant on what to offer. Respondent merely provided comparables upon request. When Complainant was unrepresented, Respondent provided the names of two local lenders as he had not secured financing yet.

Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

43. 2021070211  
Opened: 10/25/2021  
First Licensed: 6/15/2016  
Expires: 6/14/2022  
Type of License: Affiliate Broker  
History: None

Complainant is a Tennessee resident. Respondent is a licensed affiliate broker.

Complainant alleges she signed a contract on April 16, 2021, to sell her liquor store. She states she was represented in the sale by Respondent. Complainant claims when she met with Respondent to discuss the pricing, she told Respondent the debt on the building was \$1,600,000, and she wanted \$2,600,000. She claims they discussed the inventory and goodwill sitting at \$1,400,000. Complainant alleges Respondent did not protect her on the numbers. She states the buyer came to her with an amendment for the alcoholic beverage commission that provided \$300,000 for inventory and \$100,000 for goodwill. Complainant states she had a meeting with the buyer and Respondent and told the buyer that the \$2,600,000 was for the building only. She states she had an attorney draft an amendment with the numbers she wanted, and that the buyer refused to sign and threatened to file a lawsuit against her.

Respondent submitted a response stating that he met with Complainant after she had attempted to sell the store on her own and the buyer kept dragging his feet. Respondent denies that the discussed any \$1,600,000 debt. He states that Respondent agreed to \$1,600,000 for the real estate and \$1,000,000 for assets and goodwill plus inventory. Respondent explained that inventory would be counted the day before closing, and she advised that she was confident she had \$1,400,000 in inventory. The buyer, who was also a real estate agent, approached Respondent directly. They agreed on the price, inventory and met with Respondent. Respondent wrote up the agreement as discussed in the meeting with Complainant and the buyer. Respondent states Complainant expressed concern in May that the market was heating up and that she wished she listed it for more. When the buyer brought the amendment to Complainant, Respondent advised that it was inaccurate and suggested she consult her attorney, which she did. At that point, Respondent was taken out of the loop of communications as everything went through Complainant's attorney.

On the day before closing, inventory was audited and came in at under \$600,000. The deal did close, however, as scheduled, with Complainant receiving the numbers she had asked for in April. Respondent states Complainant understood that \$2,600,000 in the purchase agreement she signed included the real estate and goodwill. The contract specified that all licensing was a contingency to allow buyer to operate the business. It wasn't until Complainant began having second thoughts about the price she had agreed to that she began suggesting the inventory and goodwill were connected.

Respondent's principal broker submitted a response stating that the contract terms were negotiated and configured by the buyer and Complainant without Respondent's input. Complainant asked Respondent to put their agreement in contract form. Respondent advised Complainant to take an inventory and get proper valuation before signing the agreement, and she refused, insisting the inventory was correct at \$1,400,000. This turned out to be off by \$800,000. Complainant and the buyer were both represented by attorneys and Respondent was not in the loop of the transaction negotiations and decisions. Respondent had no control over the inventory.

Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

44. 2021070221  
Opened: 10/25/2021  
First Licensed: 3/24/2021  
Expires: 3/23/2023  
Type of License: Affiliate Broker  
History: None

Complainant is anonymous. Respondent is a licensed affiliate broker.

The Complainant states “[i]t has been brought to my attention that this agent is posting homes for sale on facebook [sic] that do not belong to him, nor does he have permission from the listing agent to post them.” Complainant provides copies of two Facebook posts by Respondent containing the listings.

Respondent submitted a response denying the allegations and stating that he has permission to advertise both listings. He states that one of the posts is a listing of his brokerage firm, which he has permission to advertise. The second post is a listing of a friend and neighbor, which Respondent has permission in writing to list. Respondent states the screenshots Complainant provided were cropped to make it look like Respondent did not advertising who the listing. Respondent provided a full copy of the posts which included the information about the agent's name and phone number as well as the broker's. Respondent provided a copy of a letter from the friend/neighbor stating that Respondent had permission to share her listings.

Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

45. 2021070241  
Opened: 10/25/2021  
First Licensed: 3/29/2007  
Expires: 3/28/2023  
Type of License: Real Estate Firm  
History: None

Complainant is an out-of-state resident. Respondent is a licensed real estate firm.



Complainant entered into a contract on August 17, 2021, to purchase property that was listed by Respondent's agent. This complaint involves a contractual dispute between Complainant and the sellers regarding who was entitled to the \$2,000.00 earnest money deposit. Complainant alleges the contract was contingent on the satisfactory closing of her current property. Complainant states the sellers agreed to extend the contract several times when the closing did not occur. Complainant states she received an addendum to terminate which provided that Complainant would forfeit the earnest money. Complainant states she advised the agent on October 12, 2021, that she did not believe the sellers were entitled to keep the earnest money and asked the agent to provide her with a legal explanation, which she was not provided.

Respondent's agent provided a response, which included copies of the contract documents, correspondence, and earnest money disbursement. The sellers signed a mutual release on October 21, 2021, and a check for the earnest money was disbursed to Complainant on October 22, 2021. Respondent states that the contract had actually expired on September 3, 2021, and the sellers had been working through verbal extensions in anticipation that the closing of Complainant's home would occur "any day now." Respondent states that discussions were still ongoing with the Complainant and the sellers to work out the earnest money, but Complainant got upset and stopped communicating, filing this complaint on October 17.

This complaint involves a contractual interpretation that was in dispute between the parties. It appears that the issue was resolved by mutual release and the earnest money was disbursed within a reasonable time. Based on the information provided, there is insufficient evidence that Respondent violated the rules/statutes of the Commission.

**Recommendation: Close**

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

46. 2021065141  
Opened: 11/1/2021  
Unlicensed  
History: None

Complainant and Respondent are Tennessee residents. Respondent's father is the principal broker for a licensed Tennessee real estate firm. This matter is related to a prior complaint against the real estate firm. The Commission voted to administratively open a complaint against Respondent for unlicensed activity.

Complainant entered into a purchase contract for a home through the real estate firm on or about May 14, 2020. Complainant claims that contract was handled by the owner's son (Respondent), who is unlicensed. Complainant alleges that Respondent informed Complainant that the property needed major repairs prior to closing on a mortgage loan, including a roof replacement and repairs to the pool house and the pool. Complainant states

Respondent told him the repairs would have to be started upon execution of the purchase agreement. Complainant contends that he spent over \$30,000 on repairs to the home at the instruction of the Respondent. Complainant claims that once the repairs were completed, Respondent entered into a contract with another buyer on the home without the Complainant's knowledge.

Respondent submitted a response stating that the contract was negotiated, written, submitted entirely by his father, who is owner of the firm. Respondent states he was not involved in or privy to the negotiations and was told by his father that he successfully worked out a deal for Complainant to purchase the house. Respondent states his father communicated directly with Complainant in drafting the contract. Complainant, who was Respondent's tax accountant and friend, had called Respondent to ask if he knew anything about a house his father had listed close to Complainant's residence. Respondent advised he did not know anything about the property but he would connect him with his father. Respondent states Complainant made an appointment with his father. Respondent states he told Complainant he was not a licensed real estate agent

The mail to Respondent concerning this complaint was returned. Upon further investigation, counsel obtained additional contact information for Respondent and made contact concerning a response to the complaint. Respondent submitted a response merely attaching the executed consent order in regard to the related complaint against the real estate firm. The response provided no information concerning Complainant's allegations. Therefore, based on the information provided, counsel recommends a civil penalty be assessed against Respondent in the amount of \$1,000.00 for unlicensed activity.

**Recommendation: Assess a civil penalty in the amount of \$1,000.00 for violation of Tenn. Code Ann. § 62-13-301 (prohibition against unlicensed activity).**

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

47. 2021067191  
Opened: 11/1/2021  
First Licensed: 9/6/1989  
Expires: 8/13/2022  
Type of License: Principal Broker  
History: 2020 Consent Order for Delayed Trust Account Deposit

Complainant is a licensed real estate agent. Respondent is a licensed principal broker. Complainant represented the sellers in the transaction at issue, and Respondent was the buyer's agent.

Complainant states that the clients entered into a contract on August 12, 2021. Complainant alleges that on or about August 26, 2021, he was unable to get Respondent to respond to calls or texts about the transaction. Complainant does not provide a copy of texts or outgoing call logs. Complainant claims he had to send a copy of the contract to the lender

because Respondent had not done so. He alleges that earnest money from the buyer should have been received within five days of August 13, 2021, as required by the contract, but was not received. He alleges that other items were not signed until September 10. Complainant alleges Respondent did not attend the closing or send a buyers' final inspection notice or repair proposal.

Respondent submitted a response stating that the offer date was August 12, 2021, but the binding agreement date was August 13. Respondent states he hand-delivered the earnest money check and contract to the closing attorney on August 16, 2021 and told them who was handling the financing (the lender was around the corner). Respondent emailed the contract to the lender on August 23. Respondent states Complainant texted him stating he never received the disclosure. Due to a technical issue with printing, Respondent asked him to resend the docs, which Respondent did on September 10. Complainant provided an email showing where he emailed the completed forms back to Complainant on September 11.

Respondent state she was unaware of any communication issues with Complainant. Respondent claims the only time there was ever any problem with communication delays was when Complainant complained that he could not get the closing law firm to call him back. Complainant asked Respondent for help reaching them, and Respondent states he got them on the phone and had them call Complainant. Respondent said Complainant thanked him. Respondent provided a copy of texts and email correspondence with Complainant. Respondent states his client did not make any request for repairs.

Respondent states closing was schedule at 9:00 a.m. He had another closing scheduled at the same firm for 10:30, which was with an elderly lady coming from out-of-state to close on her recently deceased daughter's house. Respondent states the first closing was going well and had no issues, but the final walkthrough for the second closing had revealed storm damage, and Respondent had to resolve the last-minute issue prior to closing. Respondent states both closings were successful.

Based on the information provided, there is insufficient evidence that Respondent violated the Commission's rules/statutes.

**Recommendation: Close**

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

48. 2021067551  
Opened: 11/1/2021  
First Licensed: 3/18/2021  
Expires: 3/17/2023  
Type of License: Affiliate Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed affiliate broker.

Complainant alleges that Respondent pressured his elderly mother to list her home for less than it was worth and then accept the first offer. Complainant states Respondent did not assist in getting the house ready for closing. Respondent states his mother was rushed to the hospital one week before closing with kidney stones and could not assist in getting the house ready. Complainant believes Respondent took advantage of his elderly parents.

Respondent submitted a response with timeline and supporting documentation. Respondent first met with the seller and her daughter on August 19, 2021, about listing the property in October. Respondent provided a list of comparable properties and RPR report. She went through the listing presentation. The daughter asked for her siblings to also review the packet and provided contact information for the siblings. Respondent left the packet for review and also advised that they were in a hot market, and the home would likely sell quickly. The seller called the next day to say she wanted to go ahead with listing the property. Respondent questioned the seller about waiting until October, and the seller stated she wished to move forward with the listing while she was preparing to move. Respondent called the daughter who confirmed the seller wished to go ahead, although the children disagreed. Respondent set an appointment for the daughter to be present when the listing was signed.

The listing went live on August 31. An over list price offer came in on September 1. The seller asked Respondent to send it to the daughter, which Respondent did. Respondent states the daughter discussed the offer with the other siblings. The daughter was involved in crafting the counteroffer, after which Respondent took to the seller for signature. The home went under contract. Respondent spent many hours at the home along with the buyers' agent meeting with contractors. The daughter and Complainant were involved in the negotiations on repairs, and Complainant took over negotiations on September 21 and the preparation of the repair amendment. Complainant authorized the work. The daughter worked on selling furniture and disposing of the remaining items in the house. The siblings were stressed, and the Complainant called Respondent screaming at her. Complainant disagreed with the daughter's handling of the transaction and left harassing and threatening phone messages for Respondent. Complainant reviewed all of the closing documents, which the seller signed.

Respondent states that the seller's children were heavily involved in all decision making, and everything was sent to either the daughter or Complainant for the seller to sign. Respondent states Complainant is upset because he had to change his schedule to accommodate his parents. Respondent denies taking advantage of any elderly persons.

Based on the information provided, there is insufficient evidence that Respondent violated any rules or statutes of the Commission.

**Recommendation: Close**

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

49. 2021068291  
Opened: 11/1/2021  
First Licensed: 12/11/2012  
Expires: 11/16/2022  
Type of License: Principal Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed principal broker.

Complainant alleges that Respondent's firm manages four properties that Complainant owns. Complainant claims he did not receive a statement for 2019 until August 8, 2020. For 2020, Complainant states he received a partial report on January 13, 2021. Complainant states he has not received a statement for 2021. Complainant alleges that Respondent failed to provide documentation that Complainant requested for his taxes. Complainant further alleges Respondent failed to disburse security deposits to Complainant following tenant eviction/breach of lease agreements. Specifically, Complainant claims there were two properties that had outstanding balances, which Complainant believes should have been released to him. Complainant also alleges Respondent failed to disburse monthly rents in the timeframe required. Finally, Complainant alleges that Respondent was unprofessional.

Respondent submitted a response stating that the software program her firm used provides detailed reports that are readily available to property owners. She states that Respondent wanted the information to be duplicated onto spreadsheets, which the designated agent started providing. Respondent states that 1099s for 2019 and 2020 were prepared based on information in QuickBooks and mailed out by the February 1 deadline. Respondent states the referenced rental disbursement was delayed because the tenant was in arrears due to the financial impact of COVID-19. The tenant made partial payments and eventually could not pay. Because of how the rental payments were made sporadically and disbursed, Respondent states Complainant misinterpreted the reports, believing he was not paid. But Respondent claims Complainant was provided with detailed reports to the contrary. Respondent states that a number of tenants sometimes missed payments or made partial payments due to the impact of COVID-19, Respondent claims the monies were accounted for in a reasonable time.

Respondent states the security deposit referenced in the complaint was turned over to the new property management firm along with deposits for all of Complainant's properties. The security deposit for the other property referenced covered the expenditures made by Respondent's firm for repairs, and a reconciliation is being completed which indicates to date that Complainant owes \$688.57.

Complainant provided documentation of a miscommunication with the designated agent over a period of months about whether a disbursement needed to be made on a property. The parties in this case have multiple disputes concerning interpretation of the statements and accounts and disagreements over expectations of how rents should have been tracked and how information in statements and reports should be formatted and provided. These

disputes regarding would appear to be governed by the contractual agreement between the parties and the leases. Because contract interpretations and breach of such agreements are outside the scope of the Commission's authority to regulate, there is insufficient evidence to establish that Respondent violated the Commission's rules/statutes based on the information provided.

**Recommendation: Close**

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

50. 2021069051  
Opened: 11/1/2021  
First Licensed: 12/11/2012  
Expires: 11/16/2022  
Type of License: Principal Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed principal broker. This complaint appears to be related to Complaint No. 2021068291 (No. 49) above.

The complainant alleges that Respondent's firm breached the parties' property management contract, was late in providing tax information and was unprofessional/disrespectful. Specifically, Complainant alleges Respondent failed to disburse certain rent payments in accordance with the contract, provided statements late, and failed to monitor late or partial payments. Complainant contends Respondent delayed providing information with a breakdown of information Complainant requested about a 1099. Respondent alleges that Complainant breached the agreement by not timely providing receipts for repairs as set forth in the contract. Complainant alleges Respondent was unprofessional.

Respondent submitted a response stating that disbursements could not be made when tenants did not pay. A number of tenants were impacted by COVID-19 which caused them to miss or make partial payments. Respondent states Complainant wanted the tenants to be evicted, but they were under a moratorium. Respondent states the software program her firm used provides detailed reports that are readily available to property owners. She states that Respondent wanted the information to be duplicated onto spreadsheets, which the designated agent started providing. Respondent denied having failed to monitor or notify regarding late or partial payments. Respondent states tenants would deliver rent payments to the office and leave them in the secure dropbox. If this happened after business hours or on a weekend, the payment would not be collected until the next business day. Respondent states there was also cause a delay when a "mystery" money order was left in the dropbox, and they had to determine where it belonged. Respondent states other tenants used an online payment program, which had to be reconciled with the bank account. Respondent states all monies were accounted for in a reasonable timeframe.

Respondent states that 1099s for 2019 and 2020 were prepared based on information in Quickbooks and mailed out by the February 1 deadline. When Complainant question the totals, Respondent's firm completed an extensive, line-item reconciliation of all of his rental accounts, and he was provided a corrected form. Respondent states that Complainant did not have repair accounts for all properties. Respondent contends Complainant was provided reports on receipts for repair accounts as provided by the property management agreement. Respondent contends Complainant still owes \$1,286.11 for repairs.

The parties have disputes concerning whether they performed in accordance with their property management agreement. Because contract interpretations and breach of contract matters are outside the scope of the Commission's authority to regulate, there is insufficient evidence to establish that Respondent violated the Commission's rules/statutes based on the information provided.

**Recommendation: Close.**

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

51. 2021069701  
Opened: 11/1/2021  
First Licensed: 3/29/1971  
Expires: 2/5/2023  
Type of License: Principal Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed principal broker.

Complainant had a property management agreement with Respondent's firm. The agreement provided that a 60-day written notice be given for cancellation. The agreement also provided that Respondent may withhold funds for 60 days after the end of the month in which the agreement is terminated to pay bills and close accounts.

On July 28, 2021, Complainant gave notice of cancellation. Complainant provided a copy of an unexecuted mutual release dated July 29, 2021, which reiterated the 60-day notice requirement and fund withholding provisions. Complainant emailed Respondent on October 6, 2021, about the funds, and was told the funds will be forwarded. Complainant filed alleging that he is owed rent collected during June and July, \$600 in rental deposits, and \$1,000 in the impound account.

Respondent submitted a response stating that the property managed consisted of one building containing four rental units. A statement was provided monthly to Complainant setting out all sums collected and expenses incurred. Respondent states the property was not in good condition and it was difficult to obtain reliable tenants. Respondent had to evict a tenant in July 2021, which involved substantial expense for the eviction and repairs. Respondent provided a copy of all statements and invoices for June through the final

operating statement in October. Respondent states all tenant deposits were applied to Complainant's account or refunded to Complainant. After deduction of expenses there was a negative balance in Complainant's operating account. The deficiency was deducted from the \$1,000 impound account and the balance was sent to Complainant on October 13, 2021. Respondent also provided a copy of the management agreement.

Complainant's dispute with Respondent over the amount owed involves a contractual dispute. Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

52. 2021069861  
Opened: 11/1/2021  
First Licensed: 4/13/2005  
Expires: 1/28/2023  
Type of License: Real Estate Broker  
History: 2018 Letter of Warning re posted sign authorization

Complainant is a Tennessee resident. Respondent is a licensed broker.

Complainant submitted an offer on property that was listed as FSBO then requested Respondent close the deal for a small commission as a facilitator. Complainant alleges Respondent reached out to her on September 27, 2021, because Respondent heard Complainant intended to sell the contract rights to an assignor. Complainant alleges Respondent called again the next day and told her the contract was not assignable, and that she would be breaking the contract with tenants by not honoring a lease. Complainant states she later told Respondent she wished to terminate the contract and requested an earnest money release. Complainant attached a copy of her email to Respondent on September 28, 2021, stating she did not wish to move forward and requesting termination and earnest money release paperwork. Complainant alleges Respondent has not released the earnest money as of the filing of her complaint on October 14, 2021.

Respondent submitted a response stating that she did not tell Complainant the contract was unassignable. She states the property came with tenants, and Complainant agreed to let the tenants remain pursuant to the contract. Respondent states Complainant and her brother started telling the tenants to leave, and Respondent told Complainant she could not do that according to the contract. Respondent states Complainant presented a letter stating only that she wanted to be released based on her "findings," but it did not specify what the findings were. Respondent stated Complainant never had an inspection nor requested access to the property. Respondent states the contract was not contingent on Complainant being able to assign the contract. Respondent states she does not believe Complainant



should get the earnest money. The response did not include any documentation nor any information on the status/outcome of the earnest money dispute.

Counsel reached out to Respondent requesting additional information including an update on the outcome along with a copy of the contract designating the earnest money holder and/or a copy of any releases. Respondent did not respond. Counsel then reached out to Complainant requesting a copy of the contract and more information to identify the holder of the earnest money and if/when the money was disbursed. Complainant never responded.

It does not appear that Respondent was the holder of the earnest money at issue nor the principal broker at her firm. In the text exchange with Complainant on September 28, Respondent states that she was discussing Complainant's request for the earnest money with her principal broker "to figure out what to do." In the same email, however, Respondent gives Complainant a legal opinion: "You don't have an auto out. It's a breach of contract." Based on the information provided, counsel recommends a civil penalty in the amount of \$1,000.00 for engaging in the unauthorized practice of law in violation of Tenn. Code Ann. § 62-13-312(b)(19).

**Recommendation: Assess a \$1,000.00 civil penalty for the unauthorized practice of law in violation of Tenn. Code Ann. § 62-13-312(b)(19).**

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

53. 2021070271  
Opened: 11/1/2021  
First Licensed: 1/10/2006  
Expires: 8/27/2022  
Type of License: Principal Broker  
History: None

Complainant is a Tennessee resident. Respondent is a licensed principal broker.

The complaint alleges that Respondent removed property pins placed by a surveyor and destroyed a cap with the surveyor's stamp. Respondent submitted a response stating that she and Complainant are adjacent property owners and are opposing parties in active litigation over a boundary dispute that is pending in chancery court. Respondent alleges that Complainant placed a chain link fence on Respondent's property based on an incorrect survey that was not performed by a licensed surveyor. Respondent states she had a proper survey done and it was within her rights to remove the inaccurate pin from her property. This is the gravamen of the parties' legal dispute. Respondent states that neither she nor anyone with her firm has ever had a client relationship with Complainant, and the matter does not concern any broker activity with Respondent or her firm.

Based on the information provided, this transaction is exempt from the Commission's rules/statutes pursuant to Tenn. Code Ann. § 62-13-104(a)(1)(A).

**Recommendation: Close**

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

54. 2021070811  
Opened: 11/1/2021  
First Licensed: 8/2/2002  
Expires: 11/24/2023  
Type of License: Real Estate Broker  
History: None

Complainant is a Tennessee resident. Respondent is a licensed broker.

Complainant contends they own two properties that were listed and shown by Respondent. Complainant alleges they contacted Respondent and her broker requesting for two weeks that the property be taken off the market. Complainant alleges no response was received and the properties have not been taken down from MLS during the two weeks.

Respondent provided a signed statement as well as a response from her attorney. Respondent states the property listed was an office building and adjoining parking lot owned by a doctor. On January 13, 2021, the doctor/seller executed a Commercial Exclusive Right to Sell Listing Agreement through December 31, 2021. Respondent received a phone call from Respondent's wife on September 24, 2021, advising she was approached by potential buyers who were foreign land speculators and hated real estate agents and asking when her husband's contract would be up. Respondent explained the proper protocol would be to refer the buyer to Respondent. Respondent states this is the first time she had any contact with the doctor's wife in any way regarding the property. Respondent states the wife continued to indicate she was talking to the potential buyers about selling the property without a real estate agent and asked for another copy of the exclusive listing agreement, which Respondent provided. On October 6, the wife sent a text indicating she had decided they did not want to sell the office.

Respondent states that at no time did the owner/seller ever ask Respondent to withdraw the listing. She states the wife was not the owner, the client, nor a party to the contract. The owner/seller did not delegate any authority to his wife to act or speak on his behalf in the transaction. Respondent states that the owner/seller did not call or send any letter or texts asking to withdraw the listing. Respondent believes this complaint is retaliatory because the wife could not persuade Respondent to cancel the contract and forfeit commission.

This appears to be contractual dispute between the parties. Based on the information provided, there is insufficient evidence to establish that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

55. 2021070881  
Opened: 11/1/2021  
First Licensed: 10/29/2018  
Expires: 10/28/2022  
Type of License: Affiliate Broker  
History: None

Complainant alleges she purchased a home and was represented by Respondent. Complainant contends that Respondent notified the seller's agent that Complainant closed on another home. Complainant alleges the disclosure was unethical and violated Respondent's duty to her client.

Respondent and principal broker submitted a joint response denying the allegations. Respondent states she represented Complainant in the attempted purchase of a new construction property and in her ultimate purchase of a different property. Respondent states Complainant became dissatisfied with delays in completion and decided to cancel the contract and purchase a different property. Complainant's earnest money was released, but Complainant and the seller of the new construction property are involved in a contractual dispute over certain non-refundable deposits. Respondent states that she did not disclose that the Complainant closed on a different home. She states the seller's agent discovered and accessed information about the transaction through the agent's own search of MLS and public records. Respondent states the information was accessed independently by the agent without any encouragement or assistance by Respondent. Respondent states she declined to give the agent any details about the transaction.

Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

56. 2021073081  
Opened: 11/8/2021  
First Licensed: 4/14/1986  
Expires: 11/21/2022  
Type of License: Real Estate Firm  
History: None

Complainant is an affiliate broker. Respondent is a licensed real estate firm with whom Complainant was affiliated.

This matter involves a commission dispute between Complainant and Respondent. Complainant alleges he purchased property and also acted as selling agent for the house. Complainant alleges he did not receive the commission split agreed upon with Respondent. Respondent's broker submitted a response stating that Complainant never contacted him regarding the dispute prior to filing a complaint. Respondent states he would agree to pay Complainant the requested commission if Complainant would agree to settle the complaint and return all signs, keys, remove listings and complete transfer paperwork. Complainant sent a supplemental response asking that the complaint be withdrawn and stating the matter has been resolved.

Based on the information provided, this matter involves a contractual dispute between the parties which is outside the authority of the Commission. Additionally, the parties appear to have resolved their dispute.

**Recommendation: Close**

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

57. 2021064261  
Opened: 11/15/2021  
First Licensed: 2/4/2003  
Expires: 1/10/2023  
Type of License: Principal Broker  
History: 2009 Letter of Warning; 2010 Consent Order for failure to maintain E&O insurance; 2020 Letter of Warning; 2021 Consent Order for failure to supervise an affiliate due to affiliate's lapse in E&O insurance

Complainant is an out-of-state resident. Respondent is a licensed principal broker.

Complainant had entered into multiple listing agreements with an affiliate agent at Respondent's firm to sell several vacant lots. Complainant became frustrated that his properties were not being marketed heavily enough. Complainant alleges that he believed another agent was the principal broker. Complainant alleges that he communicated with this other agent about why signs were not put up or photos other than a plat map added to the listings. Complainant contends he requested from his agent to be released from the listing agreements. He states he signed releases for the listings on September 6, 2021, and the listings were not released by September 13, 2021. He states he contacted his agent, and that his agent stated he had never heard of Respondent.

Respondent submitted a response stating that the affiliate agent placed signs on all of Complainant's lots shortly after execution of the listing agreements, listed the lots on MLS, and engaged a photographer. Respondent states that the agent worked diligently to market the lots. They received twenty-eight offers over the thirty days the lots were listed, and Complainant rejected them. Respondent states that Complainant and the affiliate agent were both fully aware that Respondent was the principal broker, and that the agent had

communicated this to Complainant. Respondent states the other agent Complainant referenced was the affiliate's assigned firm sponsor. Respondent states there was an initial three-way conversation in which the sponsor was involved, but that Respondent is not aware why Complainant continued to try to have communication with the sponsor afterward.

Respondent states that the agent agreed to release Complainant from the listing agreements. The agent prepared TAR Form RF 151 for each of the 15 lots and sent them to Complainant for signature. Complainant executed the forms on September 6. The forms were transmitted directly to MLS for withdrawal instead of being sent to Respondent for signature as principal broker. Respondent states that all listings, however, were removed from active status by the agent on September 6. Respondent states he received the forms on September 14 and executed them promptly.

Based on the information provided, there is insufficient evidence that Respondent violated the rules/statutes of the Commission.

**Recommendation: Close**

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

58. 2021067471  
Opened: 11/15/2021  
First Licensed: 3/11/2011  
Expires: 3/10/2023  
Type of License: Principal Broker  
History: None

Complainant is a Tennessee resident. Respondent is a licensed principal broker and the president of a marketing and development company for troubled properties.

Complainant contends he entered into a contract to purchase a property from Respondent's company. Complainant alleges that it was not disclosed until he signed the contract that the community had a HOA. Complainant alleges the company's brochure stated the community had municipal water and utilities. Complainant alleges he was assured that all utilities were under ground, and that Complainant would only be responsible for bringing utilities from the street to the home. Complainant states he was told later by the utility district that there was no infrastructure in the community yet for electric service. Complainant states the utility district cannot start work until the developer pays its invoice. Complainant alleges a handout at the sale stated the water tap cost was \$1,200, but it should have stated \$3,200.

Respondent submitted a response stating that Complainant was provided documentation to review regarding the HOA prior to signing the contract. Complainant initialed and signed "Disclosures and Acknowledgements" stating he was aware there was an HOA and that he

would be required to be a member and pay the annual fee. Respondent states Complainant also signed a vital information statement acknowledging that he had he received a copy of the covenants and that he understood and agreed to abide by them.

Respondent states that the company did not inform Complainant that all power was underground and denies any such representations. Respondent states the original developer had always intended on above-ground power, and this was approved by the county planning and zoning boards before Complainant purchased the property. Respondent denies that the utility company is waiting on the developer or the company for anything with regard to power for Complainant's property. Respondent states the developer has paid all utility bills, and further states that Complainant has power.

Respondent states there the vital information statement provided by the developer stated the water tap fee was \$1,200.00, but this was an inadvertent typo on the developer's part. Respondent acknowledges the amount should have been changed or marked through on Complainant's copy but was not. Because of the typo, the developer offered to pay Complainant the difference in the amounts or to negotiate with the utility board, but Complainant declined.

Respondent provided executed copies of the disclosures and vital information statement as well as the advertising brochure for the sale. The vital information statement includes a statement with the incorrect water tap amount. This statement, however, is not present in the advertising material.

Based on the information provided, it does not appear that Complainant relied on or was adversely affected by the error in the tap fee amount listed in the vital information statement, which Complainant states he did not sign until after he had executed the contract. Therefore, counsel recommends a civil penalty in the amount of \$500.00 for violation of Tenn. Code Ann. § 62-13-403(1) and/or (2) (failure to diligently exercise reasonable skill and care in providing services to all parties/failure to disclose an adverse fact of which the licensee had actual knowledge).

**Recommendation: Assess a civil penalty in the amount of \$500.00 for violation of Tenn. Code Ann. § 62-13-403(1) and/or (2).**

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

59. 2021071121  
Opened: 11/15/2021  
First Licensed: 9/13/2000  
Expires: 1/23/2022  
Type of License: Principal Broker  
History: 2014 Letter of Warning

Complainant is a Tennessee resident. Respondent is a licensed principal broker.

Complainant alleges he closed on a property on October 6, 2021. He contends that Respondent slowed down the closing process by not processing Respondent's paperwork in a timely enough fashion. Complainant alleges that his title company had to do most of the legwork for Respondent's title company, which almost caused the property not to close on time. Complainant states Respondent would not let Complainant move into the property before closing even though Complainant's financing had been approved and paperwork was complete.

Respondent submitted a response stating that she is the owner/seller of the property. The closing was originally set for September 28, 2021, but the lender was requiring a structural engineer to appraise and had delays due to difficulty finding someone to do the appraisal that was not booked way out. Respondent extended the contract to October 4 and then October 6 so that the lender could obtain the appraisal. Respondent states Complainant is upset and making accusations because Respondent, as seller, would not allow Complainant to move in before closing.

Respondent is the owner/seller of the property. Therefore, the transaction at issue is exempt from the Commission's regulatory authority under Tennessee Real Estate Broker License Act, pursuant to Tenn. Code Ann. 62-13-104(a).

**Recommendation: Close**

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

60. 2021072041  
Opened: 11/15/2021  
First Licensed: 2/1/2016  
Expires: 1/31/2022  
Type of License: Affiliate Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed affiliate broker. Respondent is the owner/seller of property Complainant sought to purchase. Complainant alleges that Respondent failed to produce a warranty deed on the closing date of October 22, 2021, and the closing was pushed to the following Monday, costing Complainant thousands of dollars. Complainant states he was granted access to the property but was not allowed to stay at the property. Complainant alleges that he discovered from researching the county website after the final walkthrough that the septic permit was for a one-bedroom home, but the house was sold as a three-bedroom with a functional septic system. Complainant is upset that Respondent will not agree to release Complainant's earnest money.

Respondent submitted a response stating that closing did not occur on October 22, 2021, because Complainant's title company failed to close on time due to a FedEx delay. Respondent signed a temporary occupancy agreement allowing Complainant to store

personal belongings only. Respondent states she was never provided a septic permit and never had issues with the septic. When she had purchased the home in 2016, it was sold as a three-bedroom. Once the Complainant's agent provided a copy of the septic permit from the county, Respondent removed the home from the market. Respondent states the matter has been settled. Respondent signed a release to refund the earnest money, and the parties agreed not to pursue any legal actions or complaints.

Respondent is the owner/seller of the property. Therefore, the transaction at issue is exempt from the Commission's regulatory authority under Tennessee Real Estate Broker License Act, pursuant to Tenn. Code Ann. 62-13-104(a).

**Recommendation: Close**

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

61. 2021073901

Opened: 11/22/2021

First Licensed: 7/22/2019

Expires: 7/21/2023

Type of License: Affiliate Broker

History: None

Complainant is an out-of-state real estate agent. Respondent is a Tennessee-licensed affiliate broker.

Complainant entered into a contract to purchase an older home. Respondent was the listing agent. Complainant claims the listing stated that "water heater, plumbing, light fixtures, and electrical all have been brought up to date." Complainant alleges that found after the inspection that there was older wiring in the attic, and that the outlets were not grounded, although they were newer outlets. She states there were slow drain issues with the plumbing. Complainant alleges she tried to negotiate with the seller to pay \$10,000 for repairs, which was a number she states she obtained from talking with an electrician. The seller declined.

Respondent submitted a response stating that she went through the home with the sellers, and they provided information. In an additional pre-listing meeting, the sellers advised that about specific things that had been done to the plumbing and wiring since the sellers bought the home in 2013, including new toilets, new sewer line, updated outlets and wiring. Respondent provided the property disclosure form, input form, and utility form for the sellers to complete prior to the actual listing. Respondent used the information the sellers provided. Respondent states she had no reason to doubt the sellers' information. the wiring or plumbing. Respondent wrote up the information based on the verbal and written information from the sellers. Respondent stated in the description for the listing that the information had been obtained from third party sources and should be verified by the buyer or buyer's agent. Respondent states at no time did she state anything misleading. She states the house was being sold "as is," and they were expecting inspections and repair negotiations. Respondent states the seller did not accept the \$10,000 offer for repairs



because the number was provided based on a phone conversation by Complainant with a contractor who never stepped on the property.

Based on the information provided, there is insufficient evidence that Respondent violated the rules/statutes of the Commission.

**Recommendation: Close**

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

62. 2021073981  
Opened: 11/22/2021  
First Licensed: 9/24/1985  
Expires: 3/27/2023  
Type of License: Real Estate Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed real estate broker.

This complaint involves a contract dispute over earnest money. Complainant entered into a contract to purchase property. Complainant alleges that Respondent withheld \$20,000 in earnest money after Complainant's agent submitted a notification of termination on September 19, 2021. Complainant contends the agent did not return the earnest money in nine days, which Complainant believes was a tactic to coerce Complainant to sign a mutual release agreement in which the earnest money was split with the sellers. Complainant acknowledges that Respondent was not the principal broker.

Respondent submitted a response stating that Complainant's agent requested termination on September 28, 2021, due to a familial situation. Respondent exchanged text messages with the buyer's agent, who was out of the country at the time. On October 10, 2021, the sellers signed a mutual release, and the earnest money checks were mailed out on October 13, 2021. Respondent provided a copy of the communications and signed release/checks.

Based on the information provided, Respondent was not the holder of the earnest money. Respondent communicated with Complainant's agent and the earnest money issue was resolved when the buyer's agent returned to the country on October 9 or 10, and checks were disbursed within a reasonable time.

**Recommendation: Close**

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

63. 2021074061  
Opened: 11/22/2021

First Licensed: 9/21/2015  
Expires: 9/20/2023  
Type of License: Affiliate Broker  
History: None

Complainant is an out-of-state resident. Respondent is a licensed affiliate broker.

Complainant alleges he made an offer on a home, and the sellers had agreed that a higher offer was received, Complainant would have 48 hours to come up with the difference. Complainant alleges Respondent (sellers' agent) messaged Complainant on October 3, 2021, at 4:52 p.m. stating that the sellers had received another offer, and Complainant had 48 hours to provide proof of funds. Complainant contends that Respondent should have advised that the start time was 8:48 a.m. Complainant states he provided proof of funds outside of the 48-hour window believing it was timely, but the sellers accepted the accepted another offer.

Respondent submitted a response stating that the sellers accepted Complainant's offer to purchase the home that was contingent on the sale of Complainant's current home. About 10 days later, they were notified that the sale of Respondent's home was delayed and may not go through, but that Complainant was attempting to get a loan to purchase the home outright. The home was still being shown during this time.

On October 2, 2021, a cash offer was made by another buyer. Respondent informed Complainant about the offer via text message on Sunday, October 3, 2021, at 4:51 p.m. Respondent then sent the notification form at 4:58 p.m., which Complainant viewed at 5:19 p.m. Respondent states that Complainant had 48 hours from the time of the notification, which included two days when banks were open. Complainant did not respond until 5:37 p.m. on October 5 after 48 hours had already elapsed. Respondent states that what Complainant provided was not a pre-qualification letter. Respondent states the sellers had lost confidence in Complainant's ability to purchase the property at that point, and they elected to accept the other offer. Respondent provided a copy of the text messages and notification form.

Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

64. 2021074521  
Opened: 11/22/2021  
First Licensed: 7/14/2017  
Expires: 7/13/2023  
Type of License: Affiliate Broker

History: None

Complainant is a Tennessee resident. Respondent is a licensed affiliate broker.

Complainant listed his home for sale as a FSBO. Complainant contends Respondent reached out to him on October 6, 2021. Respondent's clients made an offer on the property. Complainant contends the Respondent sent paperwork which Complainant did not realize was a contract to sell the home. Complainant alleges Respondent did not follow up or explain anything in the contract. Complainant alleges he told Respondent on October 25 that he was thinking of backing out of the sale, and that he received a threatening letter from a law firm on October 26. Complainant alleges he contacted the buyers directly and was told they knew nothing about the letter and were sickened by it. Complainant speculates that Respondent decided unilaterally to get in touch with a "lawyer friend" and send a letter on behalf of the buyers. Complainant contends Respondent violated rules on ethics.

Respondent submitted a response stating that when he contacted Complainant on October 6, 2021, Complainant signed an agreement to show the property on that day. Complainant then signed additional documents, including the purchase and sale agreement, on October 7, 2021. (Provided). Respondent states he went over the contract thoroughly with Complainant and that Complainant even chose the closing attorney. Respondent states any questions Complainant asked were answered. Respondent's office reached out to Complainant the same day through email to congratulate him on having his home under contract and to schedule inspections. On the same day, Complainant changed his listing to "pending."

Respondent states Complainant advised him on October 18, 2021, that he did not feel good about moving because his dryer and oven had stopped working, which Complainant believed was a sign that he should not move. Respondent advised Complainant that he would talk to his broker and clients. Respondent states the buyers, who were located out of state, felt bad for Complainant but their home was already under contract, and they had already spent money preparing to move to Tennessee. The buyers spoke to an attorney friend of theirs who advised them to get in touch with a local attorney. The buyers asked Respondent for a recommendation, and Respondent advised he did not know any local litigation attorneys. He asked another agent for a recommendation and forwarded the name to the buyers. Respondent did not know the attorney and never communicated with him.

Respondent states he had nothing to do with any conversation between the buyers and the attorney or any decisions they made to draft or send a letter. Respondent states he does not have any "lawyer friends." Respondent contends that, throughout the process, he has been informative, honest, and ethical.

Complainant's concerns about ethical violations are outside the authority of the Commission. Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

65. 2021072811  
Opened: 11/22/2021  
First Licensed: 11/23/1987  
Expires: 10/26/2022  
Type of License: Real Estate Firm  
History: None

Complainant is a Tennessee resident. Respondent is a licensed real estate firm.

Complainant submitted this complaint stating that her realtor breached their ethical obligations as Complainant's agent. No other facts or specific allegations were provided. The complaint is accompanied by excerpts of Realtor "Standards of Practice" from an unknown source with no factual allegations or context provided. Respondent submitted a response denying Complainant's allegation.

Based on the information provided, there is insufficient evidence that Respondent violated any rules/statutes of the Commission. Additionally, complaints concerning ethical violations are outside the scope of the Commission's authority.

**Recommendation: Close**

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

66. 2021074671  
Opened: 11/29/2021  
First Licensed: 11/9/1993  
Expires: 6/4/2023  
Type of License: Real Estate Broker  
History: None

Complainant is a Tennessee resident. Respondent is a licensed broker.

This complaint involves the court-ordered sale of Complainant and his ex-wife's house. Complainant and his ex-wife are required to sell the house pursuant to the Marital Dissolution Agreement, and Respondent was named as the agent. Complainant contends Respondent listed the house for \$500,000, while Complainant wanted to list the home at \$575,000 based on comparables Complainant states were viewed by other agents. Complainant contends the Respondent dictated the sale and did not provide him comparables or discuss it with him. Respondent alleges the property was 3,728 sq. ft. but was listed as 3,610 sq. ft. Complainant states Respondent set the commission and refused to negotiate. Complainant wants the agent to pay him lost profits from the sale.

Respondent submitted a response stating that she sent an email to Complainant with comparables and actual listings to review. Respondent states that there was a list of items that needed to be repaired or replaced in order to sell the home. She told Respondent the repairs needed to be done in order to get the most money from the sale. Respondent sent the ex-spouses a CMA showing average price per square foot for re-sale homes in the neighborhood. Respondent advised that there were a number of unfinished items/areas and poor workmanship that needed to be corrected. She also pointed out the home only had a 2-car garage versus other homes in the neighborhood. Looking at all the factors, Respondent suggested a listing price around \$499,000. Respondent states the listings Complainant provided were substantially different and included homes in a new section of a subdivision, other areas of the city, and were in exceptional condition with modern kitchens, custom bathrooms, and landscaped lawns, and in-ground pools, etc.

Respondent states the chancery court had named her as the agent to sell the home and set the price for the listing. She states Complainant wished to use a higher square footage number but for areas of the home that were never permitted or built to city codes. Respondent had concerns that Complainant did not build the bathroom to codes.

Respondent was authorized by the court to sell the home and dictate the pricing. Respondent was in contact and discussions with Complainant's and his ex-spouse's attorneys. Complainant's concerns about the listing would need to be addressed to the court with jurisdiction over the Marital Dissolution Agreement. Based on the information provided, there is insufficient evidence that Respondent violated the rules/statutes of the Commission.

**Recommendation: Close**

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

67. 2021075331  
Opened: 12/6/2021  
First Licensed: 6/21/2006  
Expires: 6/20/2022  
Type of License: Real Estate Firm  
History: None

Complainant is a Tennessee resident. Respondent is a licensed real estate firm.

Complainant alleges she submitted a rental application for a property. She alleges Respondent took the application money and said it was non-refundable. She states she was told she would need a co-signor then later told her they did not accept co-signors and denied her application.

Respondent submitted a response via its attorney. Respondent states the firm charges for credit reports per the application. The Complainant's credit score was below the minimum acceptance, and Respondent was unable to lease the property to Respondent for that reason. Respondent states Complainant did not contact Respondent's office requesting a refund or copy of the credit report.

Respondent submitted a copy of a letter signed by Complainant advising that she received a refund for the \$50 application fee and requesting that her complaint be withdrawn.

Based on the information provided, there is insufficient evidence that Respondent violated the rules or statutes of the Commission.

**Recommendation: Close**

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

68. 2021075591  
Opened: 12/6/2021  
First Licensed: 10/14/2019  
Expires: 10/13/2023  
Type of License: Real Estate Firm  
History: None

Complainant is a Tennessee resident. Respondent is a licensed real estate firm.

Complainant is a prospective buyer who has been looking at property listings that appear on various large real estate websites, including Respondent's website, as well as various real estate firm listings. Complainant is concerned that brokers in general are not correctly listing square footage. Complainant feels basement square footage should not be included in the sum total. Complainant believes brokers may lie about these listings based on Complainant's research of tax records. Complainant is concerned there is widespread fraud that should be regulated.

Respondent submitted a response stating that the complaint does not allege any wrongdoing on the part of Respondent. Complainant's complaint is that brokers in general do not include accurate square footage information on their listings, which are then shown on large real estate websites like Respondent's website and others. Respondent states it receives its publicly available data through direct IDX fees with local MLS or through syndication feeds. The data itself is inputted by the listing broker into MLS or syndication feed and merely displayed on Respondent's website. Respondent states it has never listed a property for sale in Tennessee to date.

Based on the information provided, there is insufficient evidence that Respondent has violated the rules or statutes of the Commission.

**Recommendation: Close**

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

**TIMESHARES:**

69. 2021065761  
Opened: 10/25/2021  
Unlicensed  
History: None

Complainant is an out-of-state resident. Respondent is a licensed timeshare registrant. (Note: Upon review of the response, research, and correspondence with Respondent's attorney, counsel was able to confirm that Respondent is actively licensed by the Commission. The complaint was not opened under Respondent's correct entity name.)

Complainant entered into a contract to purchase a timeshare after a presentation in August of 2019. Complainant contends they left the meeting without a real understanding of the system. Complainant went to another meeting July of 2020 states they felt pressured. They state they expected the meeting to last 20 minutes, but it was a full day. At the end of the meeting, Complainant opened a second credit card to double their points. They did so again in December of 2020. Complainant alleges when they got home later, the payment was more than they were promised. Complainant states the timeshare is a financial burden. They wish to cancel the contract.

Respondent submitted a response denying the allegations. Respondent states Complainant states its salesperson took ample time to review the items, including costs and fees, with Complainant at closing. Respondent's salesperson explained the terms and gave the buyer time to make certain they wished to purchase. Complainant received a copy of all documents at the closing as well as disclosure documents. Respondent recorded the closing, and states that Complainant asked several questions and conversed with the salesperson for the majority of the recording and showed no concern for time. Respondent denies Complainant was told the payments would be any less. At 58 seconds into the recording, Complainant is quoted the payment amount, and it is the same amount that is stated in the contract and documentation. Respondent states Complainant is outside the 10-day cancellation period (stated in bold above Complainant's signature in the contract).

Based on the information provided, there is insufficient evidence that Respondent violated the rules/statutes of the Commission.

**Recommendation: Close**

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

**RE-PRESENTED CASES:**

70. 2021002421  
Opened: 3/1/2021  
Unlicensed  
History: None

The Complainant is a West Virginia resident and the Respondent is an unlicensed real estate firm.

The Complainant purchased a home from the Respondent as a turnkey investment in December 2019. The home is now owned by the Complainant's company. The Respondent was the property manager of the home until January 11, 2021. The contract required the Respondent to pay the Complainant \$1,350/month for a two-year guarantee. The last payment was to be received on September 15, 2020. The owner of the Respondent company owes \$5,000 in rent money and the Complainant is unsure whether the home is still occupied. The Complainant has attempted to contact the Respondent and has not received a response. The last communication was on January 4, 2021 and the Respondent assured the Complainant the money would be wired to the Complainant by the end of the day.

The Respondent did not provide a response and all mail sent to the Respondent has been returned. We are unable to locate the Respondent. This is being forwarded to the Respondent again based on updated addresses obtained through the SOS for the company.

**Recommendation:** Authorize a contested case proceeding and allow settlement by Consent Order and payment of a \$1,000 civil penalty for Respondent's violation of operating as an unlicensed real estate firm in Tennessee.

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

**New Information:** A consent order was sent out by certified and regular mail by the original attorney assigned to this matter to the addresses obtained through the Secretary of State, the mail returned with notes that there was no company at the address. Based on further research, the entity was administratively dissolved in 2020 after Respondent failed to file an annual report with the Tennessee Secretary of State in 2019. Its principal business address on file with the Secretary of State had previously been changed in 2019 from Tennessee to the other address at which the consent order was sent.

The Respondent is not a currently existing entity in Tennessee or otherwise, and all mail has been returned at the addresses on file with the secretary of state. Therefore, Counsel recommends this matter be closed and flagged. Complainant may attempt to pursue legal remedies for contractual and other damages.

**New Recommendation:** Close and flag



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

71. 2021014801  
Opened: 3/9/2021  
Unlicensed  
History: None

Complainant is a Tennessee resident and the Respondent is a Tennessee Vacation Lodging Service.

The Complainant alleges the Respondent is an unlicensed real estate firm and using the Complainant's real estate broker license number to solicit the sale of timeshare. The Complainant has previously advised the Commission of this Respondent that was using a different name and using the Complainant's license number.

The Respondent did not provide a response.

**Recommendation: Authorize a contested case proceeding and allow settlement by Consent Order and payment of a \$1,000 civil penalty for operating as an Unlicensed Vacation Lodging Service firm in Tennessee in violation of Tenn. Code Ann. § 62-13-104.**

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

**New Information: A consent order was sent out by certified and regular mail by the attorney originally assigned to this matter via certified regular mail, both of which were returned. An investigation was completed in a related case in which it was confirmed that an agent alleged to be affiliated with Respondent company was being impersonated. The Respondent company could not be located in the investigation and appears to be fake. The physical office address listed does not exist. Therefore, counsel recommends the matter be closed/flagged.**

**New recommendation: Close and flag**

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

72. 2020003711  
Opened: 3/9/2020  
First Licensed: 4/27/2010  
Expires: 4/26/2022  
Type of License: Affiliate Broker  
History: None

Complainant is a Tennessee resident. Respondent is a real estate licensee.

Complainant alleges that Respondent failed to disclose that the property Complainant purchased had a history of floods resulting in damage to the property despite having prior knowledge of this fact. Complainant has filed a civil lawsuit in chancery court. Complainant attached a copy of the chancery court complaint. The chancery court complaint included an affidavit from a neighbor wherein the neighbor states that the Respondent was aware of the flooding in the basement because Respondent's sibling owned the house. The affiant states that when the house was sold, they asked the seller if they had disclosed the flood issue and they stated that the issue had been corrected. Complainant attached affidavits from neighbors stating that the Respondent knew about the flooding issue.

Respondent filed a response stating that they acted as the licensee for the Seller. Respondent denies any kinship to the Seller. Respondent states that they did not have actual knowledge or notice of any flooding or adverse facts concerning the property. Respondent requests that the complaint be dismissed or in the alternative deferred until the civil lawsuit has concluded. Respondent attached a copy of the purchase and sale agreement (PSA); the inspection report; and text messages.

**Recommendation: \$1,000 civil penalty for failure to disclose adverse facts. Based upon the signed and notarized affidavits from neighbors, Complainant provided sufficient evidence to show that Respondent was aware of the flooding and failed to disclose this information which would be considered an adverse fact by statute.**

**Commission Decision: The Commission voted to send Respondent a Litigation Monitoring Consent Order and place this matter in litigation monitoring pending the outcome of the civil litigation.**

**New Information: The civil case against Respondent has concluded. The parties and neighbors who initially signed affidavits were deposed regarding their alleged knowledge. The first neighbor testified under oath that she did not have any information that Respondent knew of flooding or water damage at the property. The neighbor further conceded she did not have personal knowledge of any flooding and testified that a "person" whom the neighbor could not recall or identify told her "in passing" that the basement had flooded. The second neighbor also testified that she had no information Respondent knew of flooding or water damage at the property. (Notably, the second neighbor's affidavit that was filed with the complaint did address any alleged knowledge of Respondent). The second neighbor likewise had no personal knowledge of any flooding event. At the summary judgment stage, Complainant did not dispute either neighbor's lack of knowledge.**

**The court issued a Memorandum Opinion and Order dismissing all of Complainant's claims against Respondent. The court found that there was no dispute that Respondent did not have actual knowledge or notice of standing water, flooding, or any adverse condition that had not otherwise been disclosed to Complainant in the**

**disclosure form. The court found “[t]here is no reasonable inference the Court could draw in [Complainant’s] favor” from the neighbors’ statements, which the court held were based on inadmissible hearsay and lacking personal knowledge.**

**After review of the initial complaint, supporting attachments, and response, the parties’ court filings, the relevant deposition testimony, and the court’s findings in its Memorandum Opinion and Order, counsel finds there is insufficient evidence to establish that Respondent failed to disclose adverse facts of which Respondent had actual knowledge or notice.**

**New recommendation: Close**

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

**Chairman John Griess adjourned the meeting at 12:30 P.M. CST**