



Disclosure of Brokerage Relationships

This case examines a scenario where the agent fails to provide appropriate disclosure and obtain appropriate written content of all clients to the transaction at the earliest practical time. It is imperative that when entering into dual or designated agency for a residential transaction that agents make the appropriate written disclosures in a timely manner.

THE SITUATION:

On March 13, 2021, the Department of Professional and Occupational Regulation received a written complaint from Bella and Eddie Dullson (collectively, “the Dullsons”) regarding Mr. Jackson Holmes.

Mr. Holmes was issued a real estate salesperson license in November 2017 and had been an agent with Real Fine Properties, LLC since February 2018.

THE INVESTIGATION:

Investigators learned that on in April 2019, Ms. Casey Holmes, on behalf of Oakwood, LLC, as Seller, entered into a Residential Listing Agreement with Real Fine Properties, LLC, as the Listing Firm, and Mr. Holmes as the Listing Agent for the sale of property at Lot 2 Peace Road, Henrico, Virginia (“subject property”).

The Dullsons were interested in the subject property in their search for land on which to build a house and while driving by to look at the property found that the owner/builder, Ms. Holmes, was on site. Ms. Holmes provided information to the Dullsons which facilitated a meeting between the Dullsons, the owner, and Mr. Holmes.

During this meeting, on August 3, 2019, the Dullsons, as Buyer, and Oakwood, LLC, as Seller, entered into a Residential Contract of Purchase to the purchase the subject property. Real Fine Properties, LLC was the listing firm, and Mr. Holmes was the listing agent representing the seller. Investigators noted that the buyer’s agent information was blank on the contract. Ms. Holmes signed the contract on behalf of Oakwood, LLC. The Dullsons told investigators that before signing the contract

they had discussed their offer with Mr. Holmes, the options for the home they wanted to build, and the timeframe for the construction to be completed. They reported that they signed the contract that Mr. Holmes provided.

Mr. Holmes told investigators that although he forgot to bring agency disclosure forms to the meeting at which the contract was signed, he disclosed multiple times verbally that the builder and seller of the property was his mother. Mr. Holmes provided an unsigned typed statement from Ms. Holmes which stated she had verbally indicated the mother/son relationship with Mr. Holmes during the two initial meetings she had with the Dullsons.

Due to problems that arose with the building process, the Dullsons consulted with an attorney. The Dullsons felt they could not get answers from the builder or Mr. Holmes regarding the issues with completing the house. It was during consultation with their attorney that they learned Mr. Holmes was required to disclose that he was representing the seller and was related to her as well. They also learned that they should have signed a dual representation form which was never presented to them.

In June 2020, emails between Bella Dullson and Mr. Holmes indicate that the Dullsons questioned how Mr. Holmes could represent both parties to the contract equally, whether there was a conflict, and inquiring who pays the commission. Mr. Holmes responded by explaining that he is a dual agent and acts as a facilitator for the transaction and would not be able to advise the seller or buyer if a dispute arose. He further indicated that the seller would be paying the commission. On June 15, 2020, Ms. Dullson sent an email to Mr. Holmes thanking him for explaining what dual representation means.

On June 29, 2020, Mr. Holmes sent an email to the Dullsons indicating that nothing was signed regarding dual representation but that he had explained it in the June 15, 2020 email.

THE RESULT:

The Board determined that Mr. Holmes, acting as a dual agent, failed to obtain the written consent of all clients to the transaction during the timeframe required. The Board issued a fine of \$700 and required Mr. Holmes to complete at least three classroom hours of education pertaining to Real Estate Contracts.