



Improper Delivery of Instruments

“Delivering Reports Unasked”

This case study highlights the importance of providing principals to the transaction written notice of any material changes to the transaction in a timely manner. When a real estate licensee has knowledge of a material change to the transaction, they must provide the notice to all principals, whether or not they are requested. This Virginia Real Estate Board case illustrates this despite a mutual mistake occurring.

The Situation:

Joseph Doggett was issued a real estate salesperson license in 2012, where he was affiliated with Exceptional Realty LLC, a brokerage firm.

On November 11th, 2020, Mr. Doggett, acting as the listing agent and seller, entered into a Purchase Contract with an unrepresented purchaser for a property.

All of the proper disclosures were made, and the contract contained a home inspection contingency and a wood destroying insect report.

The Investigation:

The property settled on March 1st, 2021. A complaint was filed, and the investigation uncovered that Mr. Doggett had not conducted a wood destroying insect inspection and presented the report to the buyer. It also found that no home inspection had occurred and no notice of a removal of contingency or amendment removing the home inspection was ratified.

The investigators learned that Mr. Doggett and purchaser both agreed that the Purchase Contract was not actually contingent on either of these inspections from the outset. Mr. Doggett also stated that he was unaware of the mistake in the contract and admitted he had taken no action to remedy it.

Mr. Doggett asserted that because it was a mutual mistake that he was absolved from having to notify the buyer since there was nothing to report. Mr. Doggett also asserted that during the initial negotiations, the purchaser stated that he did not want a home inspection; however, no writing existed to memorialize this.

Both Mr. Doggett and the purchaser asserted that the purchaser had not requested the wood destroying insect report.

The Result:

The Board determined that Mr. Doggett failed to provide written notice of multiple material to the transaction to all principals to the transaction in a timely manner, 18 VAC 135-20-310.2. The Board issued a fine of \$500 per violation, totaling \$1,000.

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