



## Misrepresentation / Omission & Failing to Provide Reasonable Assistance to Client

### “Follow the Contract”

This case study highlights the importance of agents hired by clients to follow the terms of the contract. When there is a contract with addendums or amendments the terms of the contract whatever they may need to be followed closely. This Virginia Real Estate Board case illustrates this even if no “actual” damages may have occurred.

### The Situation:

Robert Bender was issued a real estate salesperson license in 2018 and was affiliated with World Renowned Realty LLC, a brokerage firm.

On November 11, 2021, Buyer and Seller (the “parties”) entered into a contract for sale of the subject property.

Mr. Bender was both the selling agent and the listing agent, with the proper disclosures to both parties.

### The Investigation:

The subject property’s sale was contingent upon a home inspection per the contract. On November 13, 2021, the Buyer’s agents performed a home inspection on the property. On November 17, 2021, the parties then entered into a Property Inspection Contingency Removal Addendum (“PICRA”) in which the Seller agreed to repair the damages identified in the home inspection report. There apparently were further repairs that could not be done before settlement and a quote was ordered which totaled \$9,000.

After settlement, Mr. Bender gave the Buyer a check for \$9,000. The Buyer questioned Mr. Bender as to why this was not provided for at settlement. Mr. Bender stated that he preferred to provide the checks

for the repairs after settlement. In addition, Mr. Bender asserted that the Seller and him agreed to this and to \$9,000 amount to provide to the Buyer after settlement. The Buyer then questioned why none of this was in writing.

Prior to settlement, Mr. Bender and the Buyer toured the property to list deficiencies during negotiations for repairs. Mr. Bender suggested to the Buyer to use Seen It, LLC to provide the quote and do the repairs. The home inspection addendum required that a licensed contractor perform the work. Seen It, LLC is not a licensed contractor, as was discovered during the investigation. Mr. Bender asserted that a lot of licensees use Seen It, LLC regardless.

At some point the repairs were made; however, it was unclear who actually performed some of the repairs to all parties involved.

#### The Result:

The Board determined that Mr. Bender failed to provide reasonable assistance to his client to satisfy the Seller's contractual obligations to have licensed professionals perform the PICRA repairs, 54.1-2131. Also, they determined that his actions constituted misrepresentation or omission, or both, 18 VAC 135-20-300(6). Mr. Bender was fined \$2,000 total and was placed on probation for 12 months and required to complete 6 classroom hours of Board approved continuing education pertaining to contract writing.

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