



## Improper Dealing

This case examines a scenario in which a real estate licensee woefully disregarded the listing agreement and failed to inform his clients of the offer. Real estate licensees must ensure that they are not engaged in improper dealings. The listing agreement states the property and terms of the sale, as such, a licensee must conform with the agreement in their duties.

### The Situation:

On October 2, 2018, Raheem Colon was issued a real estate salesperson license.

On September 29, 2023, the Department of Professional and Occupational Regulation received a complaint against Colon.

### The Investigation:

On February 12, 2021, Holt entered into a listing agreement with the owner, Clyde Hammond, of 4813 Fleming Way, Richmond, VA 23224 ("Lot A"). Hammond also owned the adjacent lot, 4817 Fleming Way, Richmond, VA ("Lot B"). During the investigation Hammond stated, and the listing agreement showed, that Lot B was not part of the listing and was not for sale.

On August 2, Colon received a call from a selling agent, Tom Wallach. Wallach asked Colon if Lot B was also included in the sale. Colon stated, "it is not technically included, but submit it in the offer if your client would like to persuade my client to sell it."

Wallach on two different occasions showed his client both lots. The client asked if they really were both for sale because she did not want anyone to move in next to her if she could avoid it. Further indicating that the sale was contingent on both lots.

Wallach asked Colon again if both the lots were for sale and what Hammond would want for Lot B. Colon stated, "My clients probably want around \$100,000 for the second lot."

During the investigation, Colon claimed that he had verbally told Hammond that an offer was received, but it was for both lots. Colon then suggested that they meet at his office to review and discuss the offers.

On the agreed upon date, Colon could not make the meeting, and instead asked his Broker to stand in for him. Colon never told the Broker about the second lot, nor did he further discuss it with his clients. The transaction proceeded to settlement. A few weeks later, Hammond decided to then sell Lot B and discovered that he did not own it.

Colon was found to have violated Section 18 VAC 135-20-290.1 of the Administrative Code. Colon was fined a monetary penalty of \$5,000, placed on probation, and required to take 6 hours of contracts and 3 hours of agency.

*Published March 2024*

