

**IN THE STATE OF MISSISSIPPI
BEFORE THE MISSISSIPPI REAL ESTATE COMMISSION**

MISSISSIPPI REAL ESTATE COMMISSION

vs.

NO. 081-1711

**GEORGE (MIKE) ADAMS, Principal Broker
TANJA ELIZABETH ADAMS, Salesperson**

RESPONDENTS

AGREED ORDER

COMES NOW before the Mississippi Real Estate Commission (sometimes hereinafter called "Commission"), pursuant to the authority of Miss. Code Ann. §§ 73-35-1, et seq., and the administrative rules of the Commission, this Complaint against George (Mike) Adams, Principal Broker, and Tanja Elizabeth Adams, Salesperson. Prior to any hearing before the Commission, the parties announced their stipulation and agreement as to the resolution of the matters alleged and any disciplinary actions that may be imposed. While the Respondents dispute the findings herein, Respondents enter into this Agreed Order, waive their right to a hearing with full due process, and the right to appeal any adverse decision resulting from that hearing. Having reached an agreement on the matter, the Commission issues its Findings of Fact, Conclusions of Law and Disciplinary Order as follows:

I.

Respondent, George (Mike) Adams, sometimes hereinafter called "Broker Adams", is an adult resident citizen of Mississippi whose last known business address of record with the Commission is 1058 Ridgewood Place, Ste. A, Jackson, MS. Respondent Broker Adams holds a resident broker license issued by the Commission pursuant to Miss. Code Ann. §§73-35-1, et seq., and so he is subject to the provisions, rules, regulations and statutes governing real estate brokers under Mississippi law and the administrative rules of the Mississippi Real Estate Commission. He is the responsible broker for salesperson Tanja Elizabeth Adams.

II.

Respondent, Tanja Elizabeth Adams, sometimes hereinafter called "Respondent Adams", is an adult resident citizen of Mississippi whose last known business address of record with the Commission is 1058 Ridgewood Place, Ste. A, Jackson, MS. Respondent Adams is the holder of a resident salesperson license issued by the Commission pursuant to Miss. Code Ann. §§73-35-1, et seq., so she is subject to the provisions, rules, regulations and statutes governing real estate brokers under Mississippi law and the administrative rules of the Mississippi Real Estate Commission. Co-Respondent George (Mike) Adams is her responsible broker.

III.

The Commission received a formal complaint from the director of a Jackson, MS non-profit organization, The Healing Place Church, LLC, about Respondent Adams' involvement in efforts to include this non-profit organization in Respondent Adams' plan to subsequently own property having delinquent ad valorem taxes for little money. This involved property owners donating their property having delinquent tax debt to a non-profit, for the donation tax benefit, and then Respondent Adams subsequently acquiring ownership from the non-profit for little or no money.

IV.

Respondent Adams suggested to a property owner, Jerry Huie of MRF Inc., that he donate his delinquent tax debt property at 368 Ford Ave. Jackson, MS to a non-profit organization and receive the tax break. Respondent Adams then had a quit claim deed prepared, reflecting the conveyance of this property from MRF Inc. to the Complainant's non-profit organization, The Healing Church, LLC, in September of 2014. Return of this deed, after filing, was directed back to the attorney who prepared the deed, a close associate of Respondent Adams, keeping the non-profit from receiving the deed directly from the Chancery Clerk.

V.

Acceptance of the conveyance by The Healing Church, LLC would have required authorization from the non-profit's board of directors, which never occurred. Hinds County land records show the transfer of this property by warranty deed to The Healing Place Church, LLC from MRF, Inc. on September 17, 2014. The Healing Place Church, LLC never received, accepted or acknowledged the deed for the donated property, a necessary element in Mississippi law for there to be a legal conveyance of real property.

VI.

Thereafter, in April of 2017, Respondent Adams engaged a purchaser for this property and began to receive payments from the property, based on a contract for the sale and purchase of real estate. Respondent Adams did not then own this property and did not tell the Complainant of the deal that she brokered. Additionally, no WWREB real estate transaction forms required by Commission Rules were executed. In this sale/purchase document, Respondent Adams showed herself as the owner of the property. Respondent Adams included a special provision for the "buyer" to pay for any past and present taxes, to be added to the loan balance. Respondent Adams listed herself as an inactive real estate agent on the sale/purchase agreement (revealing to this Commission that she knew her license suspension from a previous agreed order in case #005-1601 had begun) and that she would guarantee title upon the tenant's purchase. Respondent Adams accepted the buyer's offer on April 02, 2017 (the second day of her said previous license suspension) and had then misrepresented herself to the lease/purchaser as being the owner of the property.

VII.

In May of 2017, the Complainant became aware that the Hinds County Land Roll listed her organization, The Healing Place Church, LLC as the owner of this property on Ford Avenue when the Complainant was contacted by the tenant/purchaser of the property asking for items to be fixed in the home. It was at this point that the Complainant contacted Respondent Adams with questions. Respondent Adams ignored requests for information. Subsequently, in June of 2017, (three months after selling this property) Adams acquired ownership of the property by virtue of a quitclaim deed from Viking Investments, a tax sale purchaser.

VIII.

The investigation clearly established that Respondent Adams was aware and took steps to ensure that she benefited financially and was compensated from the donation of this Ford Ave. property to The Healing Place Church, LLC. Respondent Adams entered into a lease/purchase of property that she did not own, through a document that was executed by Respondent Adams on the second day of her most recent license suspension. Respondents have not provided any WWREB forms between them and the then owner or the lessee/purchaser. Broker Adams was, at all times relevant herein, the Principal Broker and responsible for agent supervision.

IX.

Additionally, apart from this transaction involving the Ford Ave. property, both Respondents were made defendants in a civil suit filed in Hinds County Chancery Court against Respondent Adams and A to Z Properties, of which both respondents are the only members. That suit resulted in a default judgement against the Respondents, an adverse decision, and was not reported by the Respondents within the ten days as required by MREC Rule 5.

X.

The above and foregoing described acts of the Respondents constitute violations of M.C.A. § 73-35-1, et seq. and MREC Administrative Rules, in particular:

§ 73-35-3. Definitions; applicability of chapter

(1) The term "real estate broker" within the meaning of this chapter shall include all persons, partnerships, associations and *corporations*, foreign and domestic, who for a fee, commission or other valuable consideration, or who with the intention or expectation of receiving or collecting the same, list, sell, purchase, exchange, rent, lease, manage or auction any real estate, or the improvements thereon, including options; or who negotiate or attempt to negotiate any such activity; or who advertise or hold themselves out as engaged in such activities; or who direct or assist in the procuring of a purchaser or prospect calculated or intended to result in a real estate transaction. The term "real estate broker" shall also include any person, partnership, association or corporation employed by or on behalf of the owner or owners of lots or other parcels of real estate, at a stated salary or upon fee, commission or otherwise, to sell such real estate, or parts thereof, in lots or other parcels, including timesharing and condominiums, and who shall sell, exchange or lease, or offer or attempt or agree to negotiate the sale, exchange or lease of, any such lot or parcel of real estate.

(2) The term "real estate" as used in this chapter shall include leaseholds as well as any and every interest or estate in land, including timesharing and condominiums, whether corporeal or incorporeal, freehold or nonfreehold, and whether said property is situated in this state or elsewhere; provided, however, that the term "real estate" as used in this chapter shall not include oil, gas or mineral leases, nor shall it include any other mineral leasehold, mineral estate or mineral interest of any nature whatsoever.

(3) One (1) act in consideration of or with the expectation or intention of, or upon the promise of, receiving compensation, by fee, commission or otherwise, in the performance of any act or activity contained in subsection (1) of this section, shall constitute such person, partnership, association or corporation a real estate broker and make him, them or it subject to the provisions and requirements of this chapter.

(4) The term "real estate salesperson" shall mean and include any person employed or engaged by or on behalf of a licensed real estate broker to do or deal in any activity as included or comprehended by the definitions of a real estate broker in subsection (1) of this section, for compensation or otherwise.

§ 73-35-21. Grounds for refusing to issue or suspending or revoking license; hearing

(1) The commission may, upon its own motion and shall upon the verified complaint in writing of any person, hold a hearing for the refusal of license or for the suspension or revocation of a license previously issued, or for such other action as the commission deems appropriate. The commission shall have full power to refuse a license for cause or to revoke or suspend a license where it has been obtained by false or fraudulent representation, or where the licensee in performing or attempting to perform any of the acts mentioned herein, is deemed to be guilty of:

(c) Pursuing a continued and flagrant course of misrepresentation or making false promises through agents or salespersons or any medium of advertising or otherwise;

(n) Any act or conduct, whether of the same or a different character than hereinabove specified, which constitutes or demonstrates bad faith, incompetency or untrustworthiness, or dishonest, fraudulent or improper dealing. However, simple contact and/or communication with any mortgage broker or lender by a real estate licensee about any professional, including, but not limited to, an appraiser, home inspector, contractor, and/or attorney regarding a listing and/or a prospective or pending contract for the lease, sale and/or purchase of real estate shall not constitute conduct in violation of this section.

Part 1601 Chapter 3: Administration/Conducting Business

Rule 3.1 General Rules

A. It shall be the duty of the responsible broker to instruct the licensees licensed under that broker in the fundamentals of real estate practice, ethics of the profession and the Mississippi Real Estate License Law and to exercise supervision of their real estate activities for which a license is required.

Rule 3.2 Documents

A. A real estate licensee shall immediately (at the time of signing) deliver a true and correct copy of any instrument to any party or parties executing the same.

E. Every real estate contact must reflect whom the broker represents by a statement over the signatures of the parties to the contract.

G. A real estate broker must keep on file for three years following its consummation, complete records relating to any real estate transaction. This includes, but is not limited to: listings, options, leases, offers to purchase, contracts of sale, escrow records, agency agreements and copies of all closing statements.

Part 1601 Chapter 4: Agency Relationship Disclosure

Rule 4.1 Purpose

Consumers shall be fully informed of the agency relationships in real estate transactions identified in M.C.A. § 73-35-3. This rule places specific requirements on Brokers to disclose their agency relationship. This does not abrogate the laws of agency as recognized under common law and compliance with the prescribed disclosures will not always guarantee that a Broker has fulfilled all of his responsibilities under the common law of agency. Compliance will be necessary in order to protect licensees from impositions of sanctions against their license by the Mississippi Real Estate Commission. Special situations, where unusual facts exist or where one or more parties involved are especially vulnerable, could require additional disclosures not contemplated by this rule. In such cases, Brokers should seek legal advice prior to entering into an agency relationship.

G. The terms of the agency relationship shall be ratified on all contracts pertaining to real estate transactions.

Rule 4.2 Definitions

A. "Agency" shall mean the relationship created when one person, the Principal (client), delegates to another, the agent, the right to act on his behalf in a real estate transaction and to exercise some degree of discretion while so acting. Agency may be entered into by expressed agreement, implied through the actions of the agent and or ratified after the fact by the principal accepting the benefits of an agent's previously unauthorized act. An agency gives rise to a fiduciary relationship and imposes on the agent, as the fiduciary of the principal, certain duties, obligations, and high standards of good faith and loyalty.

C. "Client" shall mean the person to whom the agent owes a fiduciary duty. It can be a seller, buyer, landlord, tenant or both.

D. "Compensation" is that fee paid to a broker for the rendering of services. Compensation, when considered alone, is not the determining factor in an agency relationship. The relationship can be created regardless of whether the seller pays the fee, the buyer pays the fee, both pay the fee or neither pays a fee.

E. "Customer" shall mean that person not represented in a real estate transaction. It may be the buyer, seller, landlord or tenant.

G. "Fiduciary Responsibilities" are those duties due the principal (client) in a real estate transaction are:

- (1) 'Loyalty' - the agent must put the interests of the principal above the interests of the agent or any third party.
- (2) 'Obedience' - the agent agrees to obey any lawful instruction from the principal in the execution of the transaction that is the subject of the agency.
- (3) 'Disclosure' - the agent must disclose to the principal any information the agent becomes aware of in connection with the agency.
- (4) 'Confidentiality' - the agent must keep private information provided by the principal and information which would give a customer an advantage over the principal strictly confidential, unless the agent has the principal's permission to disclose the information. This duty lives on after the agency relationship is terminated.
- (5) 'Reasonable skill, care and diligence' - the agent must perform all duties with the care and diligence which may be reasonably expected of someone undertaking such duties.
- (6) 'Full accounting' - the agent must provide a full accounting of any money or goods coming into the agent's possession which belong to the principal or other parties.

H. "First Substantive Meeting" shall be:

- (1) In a real estate transaction in which the Broker is the agent for the seller, first substantive meeting shall be before or just immediately prior to the first of any of the following:
 - (a) Showing the property to a prospective buyer.
 - (b) Eliciting confidential information from a buyer concerning the buyers' real estate needs, motivation, or financial qualifications.
 - (c) The execution of any agreements governed by §73-35-3, Miss. Code of 1972, Annotated.

Rule 4.3 Disclosure Requirements

A. In a single agency, a real estate broker is required to disclose, in writing, to the party for whom the broker is not an agent, that the broker is an agent of another party in the transaction. The written disclosure shall be made at the time of the first substantive meeting with the party for whom the broker is not an agent. This shall be on an MREC Agency Disclosure Form.

C. In the event the agency relationship changes between the parties to a real estate transaction, new disclosure forms will be acknowledged by all parties involved.

G. The terms of the agency relationship shall be ratified on all contracts pertaining to real estate transactions.

- I. Completed Agency Disclosure Forms shall be maintained in accordance with Rules and Regulations IV. B (6). Source: Miss. Code Ann. § 73-35-3

Rule 5.1 Notifications of Complaints to the Commission

B. Every licensee shall, within ten days, notify the Real Estate Commission of any adverse court decisions in which the licensee appeared as a defendant.

C. It shall be mandatory for a responsible broker to notify the Commission if the responsible broker has reason to believe that a licensee for whom the broker is responsible has violated the Real Estate License Law or Rules and Regulations of the Commission.

DISCIPLINARY ORDER

The Commission orders that the license of George (Mike) Adams, Principal Broker, incur three (3) months of suspension, with 2 months held in abeyance, followed by 9 months of probation, and contingent upon George Adams's future compliance with all Mississippi Real Estate statutes and Commission Rules and also contingent upon him completing eight (8) hours of Mandatory Continuing Education (4 hours of Agency, 2 hours of Contract Law and 2 hours of License Law) during his license suspension period. Said education is to be completed in a classroom environment, rather than through Distance Education. Further, these classes will be courses approved by this Commission, will be in addition to the regular hours of continuing education already required of licensees for license renewal and will not be the same classes from the same provider as those used by this Respondent in the last renewal period. Evidence of completion of these classes is to be provided to this Commission. George Adam's suspension will start February 01, 2019 and will be followed by the nine (9) months of probation. Noncompliance with the terms of this Order shall result in the suspension of Respondent's license until compliance is made and proof of compliance is submitted to the Commission. Reinstatement would be effective as of the date on which complete proof of compliance is received, and reinstatement requires submission of proper forms and payment of fees.

deter other disciplinary proceedings by the Commission against these Respondents for acts or omissions unrelated to those set forth in the Complainant herein except to resolve Case No. 048-1707. Respondents hereby waive all notice requirements and right to seek judicial review of or to otherwise challenge or contest the validity or enforcement of the terms of this Agreed Order.

Prior to any Commission hearing for this matter, it was announced to the Commission that Respondent Tanja Elizabeth Adams agreed to the voluntary surrender of her license, effective the date this order is signed by her, and closure of her Commission license file in lieu of any disciplinary proceedings or the imposition of discipline of her in this matter. Considering Respondent Tanja Elizabeth Adams' disciplinary history with this Commission, said license surrender is accepted. It is further ordered that any later application for a real estate license by Respondent Tanja Elizabeth Adams must be presented to this Commission for consideration and approval.

SO ORDERED, this the 4th day of JANUARY, 2018. 2019



MISSISSIPPI REAL ESTATE COMMISSION

BY: Robert E. Praytor
ROBERT E. PRAYTOR, Administrator

Agreed: George (Mike) Adams
George (Mike) Adams

DATE: 1/4/19

Agreed: Tanja Elizabeth Adams
Tanja Elizabeth Adams

DATE: 1-4-19