

**BEFORE THE MISSISSIPPI REAL ESTATE COMMISSION**

**MISSISSIPPI REAL ESTATE COMMISSION**

**vs.**

**NO. 47-1808**

**MELISSA ANN REESE, BROKER**

**RESPONDENT**

**AGREED ORDER**

This cause came before the Mississippi Real Estate Commission, sometimes hereinafter “Commission,” pursuant to the authority of Miss. Code Ann. §§73-35-1, *et seq.*, as amended, on a Complaint against Melissa Ann Reese, Broker. The Commission was advised that there has been an agreement reached resolving the issues brought forward in this complaint. By entering into this Agreed Order, the Respondent does agree to waive her right to a full hearing and her right to appeal to any circuit court. The Commission does, then, hereby find and order the following.

**I.**

Respondent, Melissa Ann Reese (sometimes hereinafter called “Reese” or “Respondent”), is an adult resident citizen of Mississippi whose last known address of record with the Commission is 103 Martin Key, Ridgeland, MS. Respondent Reese is the holder of a Broker license issued by the Commission pursuant to Miss. Code Ann. §§73-35-1, *et seq.*, and, as such, she is subject to the provisions, rules, regulations and statutes governing the real estate industry under Mississippi law and the administrative rules of the Mississippi Real Estate Commission. Respondent Reese is the principal broker for Prestige Realty & Investments Company.

## **II.**

The Commission received a sworn complaint alleging that Melissa Reese, Principal Broker with Prestige Realty & Investment, knowingly made several substantial misrepresentations in conjunction with a real estate transaction, failed to properly account for the earnest money deposit in her possession and further alleged that her actions demonstrated bad faith, untrustworthiness, dishonesty and/or improper dealing regarding a real estate transaction on a property located at 209 Stoney Ridge Road in Clinton, MS.

## **III.**

The Sellers, Jeremy & Allie Roach, received an offer through Respondent Melissa Reese, representing the buyer, Omar Collins, on 3/6/18. The contract was accepted on 3/12/18 and the buyer had 7 days to provide a loan pre-approval letter. A pre-approval letter was sent by the buyer's lender, Monica Michael of Supreme Lending, to the seller's agent, Mindy Hall, on 3/22/18, three days late. Monica Michael told Mindy Hall that she did not receive the contract from Respondent Reese until 14 days after the contract was accepted.

## **IV.**

By contract, the buyers had 10 days after acceptance to have a home inspection performed. The home inspection was done instead on 4/3/18, twenty-three (23) days after the contract was accepted. The resulting repairs addendum from the buyer was countered by the seller on 4/5/18 but wasn't signed by the buyer until 5 days later, on 4/9/18. The Lender asked for extra signatures by the buyer and seller reflecting that the repairs counteroffer was made on the contract. The seller signed such on 5/5/18 and the buyer signed on 5/12/18. The first closing was scheduled to be on 4/30/18, was then extended to 5/15/18, and yet again to 5/31/18. On 5/31/18, the seller's agent, Mindy Hall, was at Benchmark Title for the closing, waiting 2 1/2 hours for the buyer to appear. Respondent Melissa Reese told Mindy Hall and the seller that the buyer was on his way,

but it wasn't until he again failed to show that Respondent Melissa Reese revealed that the buyer didn't have the funds to close anyway.

#### V.

At the closing, Respondent Melissa Reese first told the seller and Mindy Hall that the buyer wasn't told about the closing time. Respondent Reese said then that the buyer was on his way, but it would be another 2<sup>1</sup>/<sub>2</sub> hours before he arrived. The buyer, however, never showed, again. However, the seller was made aware and they believe that Reese failed to inform the buyer. Because of this, the sellers felt they were due the \$500 earnest money because the buyer breached the contract. The contract was voided and not extended. On 6/8/18, Reese contacted Mindy Hall and said her client now had the money to bring to closing at 2:30 p. m. that day. Respondent Reese arrived at this closing at 4:00 p.m. and claimed that no one had told her or the buyer what time the closing was to begin. The Seller's agent, Mindy Hall, provided the Commission an e-mail that she had sent to Respondent Reese on 6/7/18 asking if she (Reese) and the buyer were coming to closing the following day, June 8<sup>th</sup>, at 2:30 p.m. On 6/7/18 Bobby Coleman, Attorney for Benchmark Title, asked if the buyer had the certified check of funds to close and Respondent Reese replied yes. The Lender informed Mindy Hall that the buyer only had half the amount he needed to close. Respondent Reese said that the buyer didn't realize that he owed more money due to the prepaid interest that had occurred because he was to have closed earlier on 5/31/18. However, the closing attorney, Bobby Coleman, had previously provided the settlement disclosure statement to both agents via email on 6/7/18.

#### VI.

On 6/12/18, Respondent Reese contacted Mindy Hall stating the buyer was "once again" ready to close and now had sufficient funds. Mindy Hall appeared at the closing and so did the buyer, who signed "almost" all the closing paperwork, but then said he couldn't afford the home. A Release of Escrow Funds document was then sent by the closing attorney to Respondent Reese

for the buyer to sign. At first, the buyer agreed to sign and release the earnest money, but then changed his mind and refused to sign. The Seller claimed that Respondent Melissa Reese showed poor performance in getting the paperwork signed in a timely manner and that Respondent Reese refused to operate within the time frame stated in the contract. Further, the home inspection was not within the time limit of the contract and Respondent Reese continually made excuses for being late all the time. The Seller said their home was taken off the market for 3 months, which put them in a financial bind by having to make 2 mortgage payments.

## VII.

MREC was provided a statement from complainant/seller's agent, Mindy Hall, with an explanation of the details of the transaction between her client/seller and buyer, who was represented by Reese. The sale never transpired. Hall said that on 3/5/18 Reese submitted an offer on behalf of the buyer. The seller countered on 3/6/18 and the counter gave the buyer until 3/10/18 to either sign or counter back. The contract was accepted by the buyer and sent back to Mindy Hall on 3/12/18. The sellers accepted the counteroffer but had reservations because when it was signed and returned to Mindy Hall, it took Reese 6 days to return it. The counter by the seller had given the buyer 1 day to accept or make another counter, but it was 5 days past the time frame allotted for the contract to be accepted or countered. The buyers were frustrated because they knew Mindy Hall had tried to contact Reese many times for an extension or an explanation for delays in counter offers and that Mindy Hall found it extremely difficult to get Respondent Reese to answer phone calls or text messages. When Respondent Reese would finally answer calls/texts, she would say she was in meetings. When Respondent Reese was asked about the delay by the buyer in signing the contract, she said that he wasn't reachable, or that he was out of town. When asked if the buyer was going to accept the counteroffer, Respondent Reese said she didn't know. It seemed the buyer was always unavailable or out of town and Respondent Reese claiming to be waiting for him to return. Worse yet, the sellers were still waiting on the

pre-approval letter and proof of earnest money check. Both these items were past the due date stated in the contract. When Mindy Hall asked Respondent Reese for an explanation, Reese would say the buyer was working on it, but then would never give any details.

### VIII.

Mindy Hall finally received the pre-approval letter from Reese on 3/22/18. However, she called the buyer's lender, Monica Michael with Supreme Lending, asking for an explanation as to why the pre-approval letter was not submitted by the 3/19/18 deadline. When Mindy Hall asked Respondent Reese about it, she (Reese) just said it was late because the buyer was working on it. Monica Michael said the delay was because Respondent Reese didn't turn in the contract until after the week of 3/22/18. Mindy Hall said the contract gave the buyer 10 days to have a home inspection performed yet the inspection wasn't done until 4/3/18. The contract was executed 12 days prior to the inspection, and once again, the buyer was past the allotted time given in the contract. When Mindy Hall finally was able to contact Respondent Reese, she told Respondent Reese that the sellers were contemplating backing out of the contract because they were tired of Reese's excuses and delays. The Repairs Addendum was countered by the seller on 4/5/18. On 4/9/18, the buyer signed the addendum. The reason Respondent Reese gave for not having the Repairs Addendum signed earlier was that she couldn't reach her client/buyer and then said she was scheduled to meet with him. The buyer was long past due at that point. The buyer finally signed the contract on 3/12/18, which was 28 days from the day it was first executed. On 4/23/18 Mindy Hall called Respondent Reese to see if they were going to close on 4/30/18. Respondent Reese said she didn't know. At that point, Mindy Hall called the lender (Monica Michael) for the answer to her question on closing. Ms. Michael advised Mindy that the seller needed to sign a document and then they could move forward. Mindy Hall said she shouldn't have had to call the lender and that Respondent Reese should have known if they were going to close. Closing didn't take place on the 30<sup>th</sup> of April, but the contract was extended to 5/15/18. Then the seller didn't

have his paperwork in with signatures, so the contract was then extended to 5/31/18 at 2:30 p.m.

## IX.

Upon arrival and after waiting for 2<sup>1</sup>/<sub>2</sub> hours, Mindy called Reese and asked where she and the buyer were. Reese finally showed up at 3:20 p.m. and said the buyer was on his way, but he never showed up. Reese finally told the sellers that the buyer couldn't come up with the closing costs and that he wasn't aware of the closing time. The closing attorney told Reese that the buyer was going to need to come up with additional closing costs, due to the pre-paid interest that had accrued since he failed to show up at the initial closing. Mindy Hall learned that the buyer had an appraisal done, but it was at the last-minute because he couldn't come up with the appraisal fee. This information was provided by Monica Michael, the buyer's lender. Mindy Hall said this information should have come from Respondent Reese, not the lender. The sellers felt that the buyer had breached the contract and demanded that the earnest money be surrendered to them. Mindy Hall contacted Respondent Reese with this demand and was told that her (Reese) buyer shouldn't have to forfeit the earnest money since they were not told about the closing time. The contract wasn't extended, and the sellers put their house back on the market. Shortly thereafter, Respondent Reese called Mindy Hall and said the buyer could close on 6/8/18. On 6/7/18, the closing Attorney, Bobby Coleman, e-mailed the settlement disclosure statements to Respondent Reese and Mindy Hall. Mindy Hall called Monica Michael (buyer's lender) to see if they could actually close this time because she felt that if she called Respondent Reese, she was just going to get the runaround. Mindy Hall said the only reason the sellers agreed to this is that they were financially strapped from having to pay for two house notes, utilities, etc. Mindy Hall and the sellers again went to closing at 2:30 p.m. and waited 2<sup>1</sup>/<sub>2</sub> hours for Respondent Reese and the buyer. Mindy Hall called Respondent Reese, who said they were on their way, and Respondent Reese finally arrived at 4:00 p.m. claiming she was late because she didn't know about the closing

time and that the buyer was on his way. Mindy Hall asked Respondent Reese to call the buyer and find out where he was. Respondent Reese then admitted that the buyer only had half the closing costs, and that she didn't know that the buyer owed pre-paid interest due to him not closing back on 5/31/18. Respondent Reese claimed that no one had informed them of that. Respondent Reese claimed the buyer wasn't aware of the pre-paid interest and also that he didn't know what time the closing was.

#### X.

On 6/12/18, Respondent Reese called Mindy Hall asking for one more chance and that the buyer had the funds now to close. To verify this information, Mindy Hall called the lender and was informed that was correct. The sellers decided to give it one more chance because of their financial situation. At the closing, however, the buyer signed "almost" all the paperwork and then said he just couldn't afford the home. Mindy Hall asked Respondent Reese for the earnest money release document. Respondent Reese replied that wasn't her job to send it. The closing attorney sent a Release Document to Respondent Reese for the buyer to sign. The buyer started to sign the release but then changed his mind and decided not to. Mindy Hall said that the seller then decided to file a complaint against Respondent Reese, mainly because of the way Respondent Reese conducted herself in representing the buyer and because the buyer was in breach of contract and refused to release the earnest money to the sellers.

#### XI.

The above and foregoing described acts of the Respondent Melissa Ann Reese warrants sanctions being imposed against Melissa Ann Reese and constitute violations of Miss. Code Ann. §73-35-21 and MREC Rule 4.2 which state, in relevant part:

##### **Rule 4.2 Definitions**

- A. "Agent" shall mean one who is authorized to act on behalf of and represent another. A real estate broker is the agent of the principal (client) to whom a fiduciary obligation is owed. Salespersons licensed under the broker are subagents of the Broker, regardless of the location of the office in which the salesperson works.

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

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.

**Miss. Code Ann. § 73-35-21. Grounds for refusing to issue or suspending or revoking license**

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:

(a) Making any substantial misrepresentation in connection with a real estate transaction;

(b) Making any false promises of a character likely to influence, persuade or induce;

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

(d) Any misleading or untruthful advertising; .....

(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.



**DISCIPLINARY ORDER**

THEREFORE, by agreement, understanding and consent, the Commission ORDERS discipline as follows:

As to Melissa Ann Reese: 90 days of license suspension, beginning March 15, 2020, with 60 of those suspension days held in abeyance pending no further infractions and successful completion of 11 months of probation, leaving 30 days of full suspension from any real estate activities. Additionally, and within 60 days of Reese signing this order, she is to complete eight (8) hours of mandatory continuing education consisting of four (4) hours in agency; two (2) hours in license law; and two (2) hours in contract law. All courses must be those already approved by the Commission prior to being taken and be administered by a Mississippi approved CE provider in a classroom setting (not online). This mandatory continuing education would be in addition to any other continuing education previously taken as well as any required for renewal of her license and, further, cannot be the same continuing education courses from the same provider previously completed for the renewal of her license during the last two (2) renewal periods. Written evidence of satisfactory completion of the courses shall be promptly furnished to the Commission.

So Ordered this the 10<sup>th</sup> day of MARCH, 2020.

**MISSISSIPPI REAL ESTATE COMMISSION**



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

AGREED: *Melissa Ann Reese* DATE: 3/9/2020  
Melissa Ann Reese, Broker