

BEFORE THE MARYLAND REAL ESTATE COMMISSION

MARYLAND REAL ESTATE
COMMISSION

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CASE NO. 2012-RE-527

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V.

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GUITSON LOUIS
DC METRO REALTY L.L.C

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CONSENT ORDER AND SETTLEMENT AGREEMENT

This matter comes before the Maryland Real Estate Commission (“Commission”) as the result of a complaint filed by Complainant Pamela Waller (“Ms. Waller”). Based on the complaint and an investigation the Commission issued a Statement of Charges and Order for Hearing dated November 19, 2013 against the Respondent Real Estate Broker Guitson Louis, license registration number 01-600397 broker for DC Metro Realty LLC (“Respondent”) and transmitted this matter to the Office of Administrative Hearings for a hearing on the regulatory charges. To resolve this matter without a formal hearing, the Commission and the Respondent have agreed to enter into this Consent Order and Settlement Agreement to provide for the imposition of disciplinary measures which are fair and equitable in these circumstances and which are consistent with the best interest of the people of the State of Maryland.

The Commission and the Respondent agree and stipulate as follows:

1. The Respondent is currently licensed by the Commission as a real estate broker with DC Metro Realty, L.L.C., license registration number 01-600397. At all times relevant to the matters set forth in this Consent Order and Settlement Agreement, the Commission has had jurisdiction over the subject matter and the Respondent.

2. Ms. Waller entered into a contract to purchase an REO foreclosure property known as 16407 Everwood Court, Bowie, Maryland 20716 from seller Fannie Mae (“Fannie Mae”), who ratified the contract on February 27, 2012. Cummings & Co. Realtors, L.L.C. was the listing and selling broker for Fannie Mae. The Respondent was Ms. Waller’s buyer’s agent.

3. The ratified contract required Ms. Waller to pay a \$3000 good faith deposit to be held in the Respondent’s escrow account. Instead of depositing the good faith deposit into his escrow account, the Respondent advised Ms. Waller to hold onto the good faith deposit until Fannie Mae needed it.

4. The ratified contract required settlement to occur by March 23, 2012.

5. The ratified contract was contingent on Ms. Waller obtaining a mortgage guaranteed by the Federal Housing Administration ("FHA"). Under the terms of the ratified contract Fannie Mae agreed to perform and pay for any FHA required repairs. The ratified contract contained a home inspection contingency and provided that repair requests related to the home inspection must be in writing.

6. Following the March 7, 2012 home inspection, the Respondent represented to Ms. Waller that he provided the home inspection report and a written request for repairs the listing broker. In fact, the Respondent did not present a written request for repairs to the listing broker but instead the Respondent verbally communicated Ms. Waller's repair requests directly to seller Fannie Mae, who in turn, verbally agreed to make and pay for any FHA mandated repairs. Fannie Mae's agreement to make and pay for FHA mandated repairs was not put into writing.

7. On or about March 13, 2012 Ms. Waller's lender emailed the title company that the transaction would not settle on March 23, 2012 because "something happened that adversely affected the [Ms. Waller's] credit score."

8. After learning of this e-mail, Fannie Mae transferred the listing to Home Source Real Estate Solutions ("HSRES") who relisted the property on March 19, 2012 and notified the Respondent that Fannie Mae considered Ms. Waller's ratified contract void because she had not received a written financing commitment from her lender.

9. Instead of advising Ms. Waller to contact an attorney regarding the validity (or lack thereof) of the ratified contract, after the Respondent's attempts at negotiating the validity of the ratified contract with HSRES failed, the Respondent advised Ms. Waller to submit a new contract offer through HSRES and the Respondent represented to Ms. Waller that the new contract would honor all of the terms and conditions of the original ratified contract including those related to outstanding repair requests arising from the home inspection.

10. Ms. Waller submitted a new contract offer on or about March 28, 2012 that was ratified by Fannie Mae. On or about April 4, 2012, the Respondent submitted to HSRES a written Home Inspection Notice he prepared dated March 26, 2012 documenting Ms. Waller's requests for repairs related to the March 7, 2012 home inspection. Thereafter HSRES advised the Respondent that Fannie Mae would not make repairs arising from a home inspection and that Fannie Mae would not pay for any FHA mandated repairs.

11. FHA appraisal required repairs be made to the property. The purchase price of the property was subsequently increased to cover the cost of the repairs resulting in Ms. Waller paying for the cost of the repairs.

12. Ms. Waller sought to be released from her buyer's broker's agreement with the Respondent. The Respondent refused to release Ms. Waller from the agreement unless she signed a release absolving him from misconduct in the transaction. Ms. Waller signed the release and provided it to the Respondent but he failed to sign and

return a copy of the release to Ms. Waller. Ultimately, Ms. Waller entered into a buyer's broker agreement with another agent who assisted her with completing the transaction.

13. The Respondent admits and consents to the entry of an Order that based upon the facts described above he has violated Business and Occupations Article, Annotated Code of Maryland ("BOP") §17-322(b)(33) and COMAR 09.11.02.02A and 09.11.02.03B which provide:

§17-322. Denials, reprimands, suspensions, revocations, and penalties-- Grounds.

(b) *Grounds.*—Subject to the hearing provisions of §17-324 of this subtitle, the Commission may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license if the applicant or licensee:

(33) violates an regulation adopted under this title or any provision of the code of ethics

**Code of Maryland Regulations
Title 09 DEPARTMENT OF LABOR, LICENSING AND
REGULATION
Subtitle 11 REAL ESTATE COMMISSION
Chapter 02 Code of Ethics**

.02 Relations to the Client.

A. In accepting employment as an agent, the licensee shall protect and promote the interests of the client. This obligation of absolute fidelity to the client's interest is primary, but it does not relieve the licensee from his statutory obligations towards the other parties to the transaction.

.03 Relations to Fellow Licensees.

B. ...Negotiations concerning property listed exclusively with one broker shall be carried on solely with the listing broker.

14. As penalty for the violations, the Respondent agrees to pay a civil penalty of \$4000 payable as follows: \$1000 by April 30, 2014; \$1000 by May 31, 2014, \$1000 by June 30, 2014 and \$1000 by July 31, 2014. Should the Respondent fail to make the payment in full by July 31, 2014, the Respondent agrees that his real estate broker's license, registration number 01-600397, and any other real estate licenses he holds through the Commission, shall be automatically suspended and shall continue to be suspended until such time as payment in full is received by the Commission.

15. The Respondent, by entering into the Consent Order and Settlement Agreement, expressly waives the right to an administrative hearing before the Office of Administrative Hearings on the charges, the making of Findings of Fact and

Conclusions of Law by an administrative law judge, any and all further proceedings before the Commission and any rights to appeal from this Consent Order.

16. The Commission agrees to accept this Consent Order and Settlement Agreement as the full and final resolution of Case No. 2012-RE-527.

BASED ON THESE STIPULATIONS AND AGREEMENTS, IT IS THIS
22 DAY OF April, 2014 BY THE MARYLAND REAL ESTATE COMMISSION:

ORDERED that the Respondent's has violated BOP §17-322(b)(33) and COMAR 09.11.02.02A and COMAR 09.11.02.03B and it is further,

ORDERED that based on the violations, the Respondent be assessed a civil penalty of \$4000.00 for the violations, which amount is payable to the Commission as follows: \$1000 by April 30, 2014; \$1000 by May 31, 2014, \$1000 by June 30, 2014 and \$1000 by July 31, 2014; and it is further

ORDERED that should the Respondent fail to make payment of the civil penalty in full by July 31, 2014, the Respondent's real estate broker's license, registration number 01-600397, and any other real estate licenses he holds through the Commission, shall be automatically suspended and shall continue to be suspended until such time as payment in full is received by the Commission; and it is further

ORDERED that the Commission's records and publications reflect the violations and civil penalty imposed on the Respondent.

MARYLAND REAL ESTATE COMMISSION:

By: _____

SIGNATURE ON FILE
KATHERINE F. CONNELLY
EXECUTIVE DIRECTOR

AGREED:

SIGNATURE ON FILE

GUITSON LOUIS, RESPONDENT

21 APRIL 2014

DATE