



Mississippi Real Estate Commission

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OFFICIAL LETTER OF REPRIMAND

December 6, 2018

Re: MREC case # 032-1805; MREC v. Doe F. Steely, Broker Associate

Leigh Anne Leech
111 Oak Drive
Brandon, MS 39047

Dear Ms. Leech:

The Mississippi Real Estate Commission has concluded its investigation in the matter of the above referenced case. The Legal Counsel and the Investigative Staff of the Real Estate Commission believe that the information obtained during the investigation of this complaint is sufficient to show that you were in violation of Rule 3.2 of the Mississippi Real Estate Commission Rules and Regulations regarding payment of a client's appraisal for this transaction. Agents are not to become personally financially invested for certain items on a real estate transaction, particularly those of closing costs, as such may also be a RESPA violation. Such financial investment could cause an agent to become more concerned about closing, to the detriment of the client, just to insure "recovery" of "pre-paid expenses".

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.

B. "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.

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.

F. "Disclosed Dual Agent" shall mean that agent representing both parties to a real estate transaction with the informed consent of both parties, with written understanding of specific duties and representation to be afforded each party. There may be situations where disclosed dual agency presents conflicts of interest that cannot be resolved without breach of duty to one party or another. Brokers who practice disclosed dual agency should do so with the utmost caution to protect consumers and themselves from inadvertent violation of demanding common law standards of disclosed dual agency.

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.

This Official Letter of Reprimand will be placed in your file to become a part of your permanent record. You should take every precaution to familiarize yourself with the Real Estate Brokers License Act of 1954, as Amended, and the Administrative Rules and Regulations of the Real Estate Commission in order to avoid a serious violation which might affect the status of your license.

If you have any questions pertaining to this matter, please contact the Commission.



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Robert E. Praytor

Administrator
Mississippi Real Estate Commission