BEFORE THE MARYLAND REAL ESTATE COMMISSION

MARYLAND REAL ESTATE COMMISSION

CASE NO. 391-RE-2022 GF

SHARON MARTLOCK Respondent

. v.

CONSENT ORDER AND SETTLEMENT AGREEMENT

This matter comes before the Maryland Real Estate Commission ("Commission") as the result of a complaint filed by Collins Amewode, on behalf of Liberty Care and Logistics, Inc. ("Mr. Amewode"), against licensed real estate salesperson Donnie E. Dukes ("Mr. Dukes"). At the time of the transaction at issue, Sharon Martlock ("Respondent") served as the broker of record for HomeSmart, the brokerage with which Mr. Dukes was then affiliated. Based on the complaint and an investigation, the Commission issued a Statement of Charges and Order for Hearing against the Respondent dated August 30, 2024, and transmitted this matter to the Office of Administrative Hearings ("OAH") for a hearing. By a Notice of Hearing dated November 7, 2024, the OAH scheduled this matter for hearing on January 10, 2025. Before the hearing commenced, the Commission and the Respondent agreed to enter into this Consent Order and Settlement Agreement, which provides for disciplinary measures that are fair, equitable, and

The Commission and the Respondent agree and stipulate as follows:

consistent with the best interest of the people of the State of Maryland.

- 1. 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. The Commission currently licenses the Respondent as an associate real estate broker affiliated with HSMD LLC. The Respondent holds license registration numbers 03-4548, 03-17814, and 03-17904. At the time of the transaction at issue that is described below, the Respondent served as the broker of record for HomeSmart.
 - 3. Mr. Amewode sought to purchase a property as an investment.
- 4. Mr. Dukes represented to Mr. Amewode that Mr. Dukes operated a "turn-key real estate system," whereby Mr. Dukes would assist Mr. Amewode by: locating an investment property for Mr. Amewode to purchase; helping Mr. Amewode to secure the financing needed for the purchase and renovation of the property; acting as a general contractor during the renovation process; and listing the renovated property for sale on Mr. Amewode's behalf.

- 5. Mr. Dukes further represented that Mr. Amewode could expect to earn a profit of approximately \$80,000 to \$120,000 from the investment property once the property was rehabbed and sold.
- 6. Based upon Mr. Dukes' representations to Mr. Amewode, Mr. Amewode entered an Exclusive Buyer/Tenant Representation Agreement ("Buyer's Agency Agreement") dated June 23, 2020, with HomeSmart with Mr. Dukes acting as the buyer's agent.
- 7. The Buyer's Agency Agreement with HomeSmart included a \$12,000 "premium" or "finders" fee to be paid by Mr. Amewode at the closing on his purchase of a property to 1011 Prime Residential Management LLC, a Maryland limited liability company ("1011 Prime").
- 8. Mr. Dukes was an owner, member, officer, and/or director of 1011 Prime, which was not associated with HomeSmart.
- 9. Thereafter, Mr. Dukes acted as Mr. Amewode's buyer's agent in Mr. Amewode's purchase of a property known as 3201 Merryvale Drive, Upper Marlboro, Maryland (the "property").
- 10. Mr. Dukes prepared a Residential Contract of Sale ("Sales Contract") dated June 22, 2020 pursuant to which the Mr. Amewode offered to purchase the property for \$280,000, pay an earnest money deposit of \$10,000 to be held in escrow by CLA Title, to settle on the transaction on or before July 16, 2020, and to apply for and obtain financing within five (5) days of contract acceptance. The seller accepted and ratified the Sales Contract on June 27, 2020.
- 11. On July 29, 2020, Mr. Amewode entered a Construction Contract with Thomas Development Group, LLC ("Thomas") and 1011 Prime pursuant to which Mr. Amewode agreed to engage Thomas and 1011 Prime to renovate the property for \$100,000 within eight (8) weeks.
- 12. A General Addendum to the Sales Contract dated July 31, 2020 extended the original closing date to on or before August 7, 2020 and changed the buyer's agent commission to \$4200.
- 13. The transaction settled on August 7, 2020. The HUD-1 statement reflected that the purchase price of the property was \$268,000 rather than \$280,000 as the Sales Contract stated.
- 14. Mr. Dukes represented to Mr. Amewode at settlement that the discrepancy in the purchase price between the Sales Contract and the HUD-1 statement was the \$12,000 "premium" or "finder's" fee, which Mr. Dukes represented he charges to investors like Mr. Amewode.
- 15. The HUD-1 statement reflects that among other fees and expenses the following amounts were paid from Mr. Amewode's funds at settlement: Selling Agent Broker Fee to Home Smart (\$600); Selling Agent Finder's Fee to 1011 Prime (\$12,000); and Selling Agent Commission to Home Smart (\$1340).

- 16. A licensee violates the Maryland Real Estate Broker's Act, Md. Code Ann., Business Occupations and Professions ("BOP"), §17-322(b)(21) and (23) if a licensee for real estate brokerage services provided by an associate real estate broker or real estate salesperson, accepts a commission or other valuable consideration from any person other than a real estate broker with whom the associate broker or the salesperson is affiliated; or pays or receives a rebate, profit, compensation, or commission in violation of any provision of this title.
- 17. By failing to adequately review the Buyer's Agency Agreement that required Mr. Amewode to pay the \$12,000 finder's fee to Mr. Duke's company 1101 Prime at settlement, the Respondent failed to exercise reasonable and adequate supervision over the provision of real estate brokerage services by Mr. Dukes.
- 18. Based on the facts described above, the Respondent admits, and consents to the entry of an Order by the Commission, that she has violated and is subject to Md. Code Ann., Business Occupations and Professions Article, §§17-320(c), 17-322(b)(27) as well as Code of Maryland Regulations ("COMAR") 09.11.05.02, which provide:

§17-320. Contractors or employees providing real estate brokerage services.

- (c) Supervision by real estate broker. (1) A real estate broker shall exercise reasonable and adequate supervision over the provision of real estate brokerage services by any other individual, including an independent contractor on behalf of the broker.
- (2) The requirement of paragraph (1) of this subsection applies regardless of the manner in which the individual who provides the services is affiliated with the real estate broker on whose behalf the services are provided.

§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:
- (27) violates § 17-320(c) of this subtitle by failing as a real estate broker to exercise reasonable and adequate supervision over the provision of real estate brokerage services by another individual on behalf of the broker;
- (33) violates any regulation adopted under this title or any provision of the code of ethics;

COMAR 09.11.05.02

Requirement of supervision. A broker shall exercise reasonable and adequate supervision over the activities of the broker's salespersons...

- 19. Based on the Respondent's violations, the Respondent further consents to the entry of an Order by the Commission imposing a civil monetary penalty of \$1000 on the Respondent, which the Respondent agrees to pay within 30 days of the entry of this Consent Order and Settlement Agreement by the Commission.
- 20. The Respondent further consents to the entry of an Order by the Commission that should she fail to pay the civil monetary penalty as agreed in paragraph 19 of this Consent Order and Settlement Agreement, the Respondent's real estate licenses, registration numbers 03-4548, 03-17814, and 03-17904, and any other Maryland real estate licenses that the Respondent holds, shall be automatically suspended and shall continue to be suspended until such time as payment is made.
- 21. By entering into the Consent Order and Settlement Agreement, the Respondent expressly waives the right to an administrative hearing before the Office of Administrative Hearings, the making of Findings of Fact and Conclusions of Law by an Administrative Law Judge, any further proceedings before the Commission, and any rights to appeal from this Consent Order and Settlement Agreement.
- 22. The Respondent acknowledges that she had the opportunity to consult with private counsel of the Respondent's choosing at the Respondent's expense to provide advice and counsel concerning the terms of this Consent Order and Settlement Agreement. The Respondent agrees and acknowledges that she enters this Consent Order and Settlement Agreement knowingly, intelligently, voluntarily, and willingly having read this Consent Order and Settlement Agreement in full and understood the terms.
- 23. The Respondent acknowledges and agrees that this Consent Order and Settlement Agreement shall constitute the Commission's Final Order with respect to the charges against the Respondent in Case No. 391-RE-2022, and that the Commission may consider this Consent Order in connection with, and in deciding, any subsequent action or proceeding before the Commission, and that this Consent Order may, if relevant, be admitted into evidence in any matter before the Commission, its designee, and any court of competent jurisdiction.

BASED ON THESE STIPULATIONS AND AGREEMENTS, IT IS THIS 22 DAY OF 1200 , 2025 BY THE MARYLAND REAL ESTATE COMMISSION:

ORDERED that the Respondent's has violated BOP §§17-320(c), 17-322(b)(27) as well as Code of Maryland Regulations ("COMAR") 09.11.05.02, it is further,

ORDERED that based on the violations, the Respondent shall pay a civil monetary penalty of one thousand dollars (\$1000.00) within 30 days of the date of this Consent Order and Settlement Agreement, and it is further

ORDERED that should the Respondent fail to pay the one thousand dollar (\$1000.00) civil monetary penalty as ordered, the Respondent's real estate licenses, license registration numbers 03-4548, 03-17814, and 03-17904, and any other Maryland real estate licenses that the

Respondent holds, shall be automatically suspended and shall continue to be suspended until such time as payment is made, and it is further

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

MARYLAND REAL ESPATE COMMISSION:

SCOTTLEDERER

EXECUTIVE DIRECTOR

AGREED:

TE / SHARON MARTLOCK, Re