

Double Dipping Leads to Double Trouble

Tammy Nogo: I am principal broker Tammy Nogo. I was hired to be the principal broker of Big Horizons Real Estate. The owner of the firm John Alredy and his wife are both agents in the firm. Mr. Alredy came to me with a new business idea. He wanted to work as a mortgage broker and manager and continue working as a real estate agent. After a call to the Commission, I told Mr. Alredy that I did not want agents in the firm also working for mortgage companies due to a potential for a conflict of interest. I said, “That’s a No Go for PB Nogo!”

John Alredy: Hi. I am John Alredy, all ready to list your property for you! Call me!

I am the owner of my own firm but until recently I wasn’t a broker, so I hired someone to serve as our PB at Big Horizons Real Estate. Everything was going well until I got a call from a mortgage company I’ve done business with. The mortgage company wanted me to serve as a mortgage broker and manager for their Arkansas business. I thought it was a great idea. I could help the firm’s clients, maybe bring new buyer clients to the firm, and get a little money to boot. I went to our principal broker to tell her about the idea and she said it was a “No Go”! But I’m the owner of this firm. She’s just the PB. And I told her I’d already agreed, and I was starting right away.

Tammy Nogo: That’s right. Mr. Alredy, had ALREADY signed on with the mortgage company. He didn’t care that I was the PB and I had said no. I’m not going to supervise agents that won’t honor my decisions, so I handed in my notice and let the Commission know I was leaving and why.

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Shirley Yujesst: Good afternoon, I am Shirley. Shirley Yujesst, Executive Director of the Real Estate Commission. Our office was notified that PB Nogo was leaving the firm because she didn't want to supervise Mr. Alredy and his mortgage business. She told him he couldn't do both and he said it was already happening and that wasn't going to change. Then Mr. Alredy emailed me, saying he fired his PB and was asking for a temporary broker license until he could pass the broker exam and take over the management of the firm himself. I asked him if he was a licensed mortgage broker and whether he served the same clients as both a mortgage broker and a real estate agent. He responded, telling me he had never served the same clients as both a mortgage broker and real estate agent, and he never would. I even asked him if he would confirm that no client of the firm had or would ever utilize his mortgage services. And he said, right there in an email to the Commission, that he would not allow any real estate clients to use his mortgage services. I granted a temporary principal broker license, and he passed the exam.

And then a complaint was filed ... not **5 months later**. Mr. Alredy had already closed a sale where he represented the Seller as listing broker and Buyer as both selling broker AND mortgage broker.

John Alredy: Ok, OK. I admit it. Our firm had a property listed and we had a buyer client who submitted a successful offer. The buyer was having trouble securing financing. The seller was getting frustrated with delays and we hadn't even started the title process. The Seller was so frustrated signed a termination agreement and I didn't present it to the Buyer. I was juggling a lot. I was trying to get licensed as a broker. Trying to help the Buyer get financing through my mortgage company. The transaction did close eventually. And really, the Seller wouldn't have known I was the mortgage broker if the Buyer hadn't left that great review on Google. At least one of my clients was happy.