

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
1511 PONTIAC AVENUE, BLDGS. 68-69  
CRANSTON, RHODE ISLAND 02920

RECEIVED  
BUSINESS REGULATION  
DIVISION OF BANKING

DEC 12 2019

\_\_\_\_\_  
IN THE MATTER OF: :

MICHELLE DRUM :

DBR COMPLAINT # 2019-16

RESPONDENT. :  
\_\_\_\_\_  
:

**CONSENT AGREEMENT**

The Department of Business Regulation ("Department") and Michelle Drum ("Respondent") hereby agree that:

1. Respondent is licensed as a Real Estate Broker, license # REB.0013061, which was first issued on June 20, 1988, pursuant to R.I. Gen. Laws § 5-20.5-1 *et seq.*

2. On or about May 22, 2019, the Department received a complaint alleging that Respondent made substantial misrepresentations, conducted herself in a manner that demonstrates bad faith, dishonesty, or incompetence and failed to list all the conditions of the sale in the listing agreement or as an addendum.

3. On or about February 11, 2019, Complainant states that she met with the Respondent to list her property at 17 John Street, Newport, Rhode Island ("Property") and on or about March 11, 2019, an offer was made.

4. On or about March 19, 2019, Complainant accepted the offer but instructed Respondent to include a clause in the sale of the Property to allow Complainant time to remain in the Property. Complainant reported that she was negotiating to purchase property in Chicago, IL. The purchase of the Chicago property was a "time was of the essence" agreement and the

Complainant needed to sell her Property by a certain date to obtain the funds to purchase the Chicago property.

5. On or about March 18, 2019, Respondent was first informed by the buyer's agent, that the individual purchasing the Property was not in agreement with a rent back clause being added to the purchase & sales agreement.

6. On or about March 19, 2019, a purchase and sale agreement was signed by Complainant absent the "rent back" clause.

7. On two (2) occasions, March 20, 2019 and April 18, 2019, Complainant notified Respondent about the "rent back" clause and requested that it be resolved.

8. On or about April 24, 2019, Complainant first learned from her closing attorney for the Chicago property that the individual purchasing the Newport Property, would not accept a "rent back" clause being added to the purchase and sales agreement.

9. On or about October 31, 2019, the Real Administrator and Associate Director met with the Respondent, as well as the Principal Broker for the brokerage that represented the Respondent to ascertain additional information regarding the timeline of events as related to the complaint.

10. During the October 31, 2019 meeting, Respondent admitted to failure to obtain a rental agreement for the Property and failure to inform Complainant, in a timely manner, of the firm "no" regarding an extension of the Respondent remaining in the Property after the closing, as relayed by the buyer's attorney. Additionally, the Principal Broker informed the Department that she took over the transaction and offered \$10,000 (ten thousand dollars) reimbursement for Complainant's moving expenses and that this amount was deducted from firm and Respondent's commission.

11. Respondent made a substantial misrepresentation in violation of R.I. Gen. Laws § 5-20.5-14(a)(1). Respondent demonstrated untrustworthiness or incompetence in violation of R.I. Gen. Laws § 5-20.5-14(a) (20). Respondent also did not place in either the listing agreement, or had placed as an addendum, the rental extension which results in violations of R.I. Gen. Laws § 5-20.5-14(a) (2) and § 5-20.5-14(a) (27).


12. In an effort to affect a timely and amicable resolution of the concerns raised in this Consent Agreement, Respondent agrees to pay an administrative penalty in the amount of one thousand (\$1,000.00) dollars, payable to the "General Treasurer, State of Rhode Island," upon the execution of this document.

13. Respondent admits that the allegations in Paragraphs 1 through 11 are true and agrees to take all necessary action to maintain her license in good-standing.

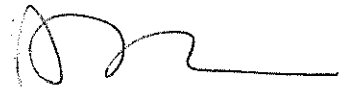
14. By agreeing to enter into this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Acts, R.I. Gen. Laws § 42-35-1, *et seq.*

15. If Respondent fails to comply with any term or condition of this Consent Agreement, Respondent will be in violation hereunder and the Department shall be entitled to immediately to take enforcement or other action in accordance with applicable law, including, but not limited to: revocation, suspension, and/or any such additional administrative penalties that the Department deems appropriate. In accordance with R.I. Gen. Laws § 42-35-9, Respondent shall be provided with notice and an opportunity for a hearing if the Department initiates the administrative hearing process.

CONSENTED TO AS TO FORM AND SUBSTANCE BY:

  
\_\_\_\_\_  
William J. DeLuca  
Real Estate Administrator  
Department of Business Regulation

Date: 12/12/19

  
\_\_\_\_\_  
Michelle Drum  
Respondent

Date: 12/5/19