

FILED

Texas Real Estate Commission

Date: 6/16/20

Hearing No. 193100

In the Matter of
Tony Duran Palacio

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Before the Texas Real
Estate Commission
("Commission")

Texas Real Estate Broker
License No. 255895

Sitting In Austin,
Travis County, Texas

Agreed Order

In order to conclude this matter, Respondent admits to the truth of the following Findings of Fact and Conclusions of Law and agrees to the entry of this Order and assessment of an administrative penalty.

Findings of Fact

1. Respondent is a licensed Texas real estate broker, was a Texas real estate broker at all times relevant to this matter, and performed an act in Texas constituting an act of a broker or sales agent as defined under Section 1101.002(1), Texas Occupations Code.
2. Respondent was a licensed real estate broker who, acting through his sponsored sales agents, procured prospective tenants for apartment rental properties.
3. Respondent was the sponsoring broker for Esmerelda Garcilazo, sales agent license number 645974, between January 31, 2019 and March 15, 2019, and for Suzanne Gonzalez, sales agent license number 648952, between January 28, 2019 and March 12, 2019.
4. As a part of the process for procuring and referring potential tenants to rental properties, sales agents sponsored by Respondent assisted potential tenants in completing rental application and application agreements. These completed application documents along with supporting identification and income information were then provided to apartment rental properties.
5. The apartment rental properties relied on the information provided by the sales agents in determining whether they would execute leases with the tenants that had been procured by Respondent's sponsored sales agents.
6. During February 2019, Suzanne Gonzalez and Esmerelda Garcilazo, two real estate sales agents sponsored by Respondent, falsified or helped tenants falsify lease application documentation or tenant background information that was provided to and relied on by the Morgan Manor Apartments property in deciding to lease to the prospective tenants.
7. Respondent failed to undertake any meaningful supervision of the sales agents or establish any processes or procedures to monitor their transactions.

Conclusions of Law

The acts and omissions on the part of Respondent set out in the Findings of Fact constitute the following violations that are cause for the suspension, revocation, or reprimand of Respondent's Texas real estate broker license pursuant to the specific statutes cited below and/or, Section 1101.656, Texas Occupations Code, and are further cause for the assessment of an administrative penalty against Respondent pursuant to Section 1101.701, Texas Occupations Code:

8. Section 1101.652(b)(1), Texas Occupations Code, by acting negligently or incompetently, while acting as a broker or sales agent; and
9. 22 Tex. Admin. Code § 535.2(i), by failing to maintain on a current basis required written policies and procedures.

Order

IT IS ORDERED that Respondent's Texas real estate broker license is suspended for a period of one year, effective June 15, 2020.

IT IS FURTHER ORDERED that beginning June 15, 2020, the suspension is fully probated for one year ending June 15, 2021, subject to the following terms.

1. Respondent must comply with Chapter 1101 of the Texas Occupations Code and with the Rules of the Commission.
2. Respondent must fully cooperate with the Commission's Standards & Enforcement Services Division in completing its investigation of any complaints filed against Respondent.
3. On or before 5:00 p.m., August 15, 2020, Respondent must provide the Commission's Standards & Enforcement Services Division with evidence of Respondent's completion of 30 classroom hours in a real estate brokerage course as defined by Section 1101.003(a)(6), Texas Occupations Code, from a school or provider approved by or acceptable to the Commission, and that these hours are in addition to the Continuing Education (CE) hours required for the next renewal of Respondent's Texas real estate broker's license. Failure to provide the evidence of timely completion of the course as ordered automatically suspends Respondent's real estate license until the evidence is provided to the Commission's Standards & Enforcement Services Division. Failure to timely complete the course as ordered revokes probation and Respondent's real estate license is suspended for the full term, starting from the effective date of the revocation of probation.
4. Respondent may not act as a designated broker for a licensed business entity during the term of probation.
5. Pursuant to Section 1101.652(a)(4), Texas Occupations Code, Respondent must cooperate with the Commission in any investigation

or disciplinary proceedings related to its file number 193100, including
testifying in any hearing on these matters.

IT IS FURTHER ORDERED that Respondent must pay an administrative penalty of
\$2,750 by cashier's check or money order payable to the Texas Real Estate Commission
no later than November 27, 2020. Failure to timely pay automatically suspends
Respondent's Texas real estate broker license until the administrative penalty is paid in
full.

IT IS FURTHER ORDERED that a violation of the above terms, other than those that
specifically provide for automatic suspension, or automatic revocation of probation, is,
after notice and hearing, grounds to revoke probation and impose the above suspension
of Respondent's Texas real estate broker license in addition to any additional disciplinary
action which may be warranted for a subsequent violation of the Texas Occupations Code.

Chelsea Buchholtz

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Buchholtz

Date: 2020.06.16 11:56:34 -05'00'

Chelsea Buchholtz

Date

Executive Director, Texas Real Estate Commission

or

Tony Slagle

Deputy Executive Director, Texas Real Estate Commission

The undersigned Respondent states and affirms that Respondent enters into this agreed
order of Respondent's own free will; that Respondent admits to the above Findings of Fact
and Conclusions of Law; that Respondent has been afforded all administrative remedies
due Respondent under the law by the Texas Real Estate Commission; that Respondent,
having been advised of Respondent's right to a hearing and to be represented by an
attorney, waives these rights; and that Respondent waives all right to judicial review of this
Order.

DATED: 15 June 2020



Tony Duran Palacio
Respondent

DATED: 6/16/20



Beverly S. Rabenberg
Staff Attorney