Mold/Water Intrusion: Crawford County, Arkansas Circuit Court Action Filed Alleging Real Estate Agent Failure to Disclose



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McKenzie Canady ("MC") filed a December 29th Complaint against Fathom Realty AR LLC ("Fathom") and Chasity Martin ("Martin") in the Crawford County Circuit Court. See 17CV-25-970.

MC is described as an individual that purchased real property in Van Buren, Arkansas and CM is stated to have been a real estate agent for MC.

Martin is also described as a real estate agent for Fathom on MC's purchase of the real property in Van Buren.

The Complaint provides that on January 16, 2025, MC went under contract to purchase the real property for $150,000. The Seller of the real property is stated to have prior to closing provided MC's agent (Martin) with a Seller Property Disclosure ("Disclosure") for the property.

Such Disclosure is alleged to have provided that:

… Seller checked "yes" when asked, "To your knowledge, has there been any flooding, drainage, grading problems, or has water ever stood on the Property or under any improvement constructed thereon.

The Disclosure is also stated to have provided that Seller checked "yes" when asked:

… to your knowledge, is there or has there ever been any past or present water intrusion.

Further, the Disclosure is also stated to have provided that heavy rain had caused water to enter the house from the back due to drainage issues.

Martin and Fathom are stated to have received the Disclosure from the Seller or Seller's agent prior to closing of the transaction. It is alleged that neither Martin nor Fathom provided the Disclosure to MC prior to closing of the transaction. MC is stated to have had no knowledge of the existence of the Disclosure until several months after the closing of the transaction.

Subsequent to closing, the Complaint alleges that the real property experienced a significant flooding event during a rain which flooded the property and backyard and "came into the home on the Property within minutes of the rain starting." It is further alleged that there was standing water in the home on the property which caused damage to the property and devalued the home on the property.

A contractor is stated to have been contacted that identified various issues that would need to be fixed totaling $97,754. In addition, it is alleged that the property:

… now has black mold growing inside of it which poses a threat to the Plaintiff and her minor children's health who reside at the Home.

The Complaint alleges the following causes of action:

- Negligence.
- Breach of Fiduciary Duty.
- Constructive Fraud.
- Breach of Contract – Implied Contract.

The Complaint requests compensatory and punitive damages along with costs and attorneys fees.

A copy of the Complaint can be found here.