

IN THE COURT OF APPEALS OF TENNESSEE
AT JACKSON
January 13, 2026 Session

FILED

08/04/2026

Clerk of the
Appellate Courts

ANGELICA MARIA BANALES RODRIGUEZ ET AL. v. SLAVA BOSIN

Appeal from the Chancery Court for Shelby County
No. CH-24-0408 JoeDae L. Jenkins, Chancellor

No. W2024-01798-COA-R3-CV

This appeal concerns ownership interests in real property located at 3015 Dothan Street in Memphis, Tennessee. In 2013, the original owner, Reinhold Taylor, conveyed the property by recorded quitclaim deed to a revocable trust, of which he was the beneficiary. In 2017, Taylor ostensibly entered into a lease purchase agreement with the Appellees for the property despite no longer having any personal ownership in it. Subsequently, Taylor took out a loan from Appellant and the trust executed a deed of trust on the property as collateral for Taylor's loan. When Taylor defaulted the loan, the trust transferred its ownership interest in the property to Appellant. Litigation ensued between Appellant and Appellees regarding the parties' respective interests in the property. The trial court granted summary judgment in favor of Appellees, holding that their lease purchase agreement with Taylor was valid and enforceable against Appellant. Upon review, we conclude that Taylor had no ownership or possessory interest in the property to convey to Appellees at the time he signed the lease purchase agreement, and that Appellant's ownership interest properly passed from the trust to him. As such, we reverse the judgment of the trial court and remand for further proceedings.

**Tenn. R. App. P. 3 Appeal as of Right; Judgment of the Chancery Court Reversed
and Remanded**

VALERIE L. SMITH J., delivered the opinion of the court, in which J. STEVEN STAFFORD, P.J., W.S., and JOHN W. MCCLARTY, P.J., E.S., joined.

S. Joshua Kahane and Aubrey B. Greer, Memphis, Tennessee, for the appellant, Slava Bosin.

John J. Heflin, Memphis, Tennessee, for the appellees, Angelica Maria Banales Rodriguez and Giovany Alejandro Carrillo Banales.

OPINION

I. FACTS AND PROCEDURAL HISTORY

In September 2008, Reinhold Taylor, Jr. (“Taylor”) acquired title to real property located at 3015 Dothan Street, Memphis, Tennessee 38118 (the “Property”) by virtue of a deed executed by the Secretary of Housing and Urban Development, for a stated consideration of \$41,555.00. The deed was recorded in the Shelby County Register of Deeds Office.

On April 19, 2011, Taylor created the Kizer Steel Revocable Living Trust (the “Trust”) for estate planning purposes. Pursuant to the Trust instrument, the Trust is a revocable living trust in which Taylor is the grantor, Ursula Jones is the trustee, and Taylor is the sole beneficiary during his lifetime, with his son designated to benefit at Taylor’s death. Under the terms of the Trust, the trustee has the exclusive right to “invest, manage, lease, rent, exchange, mortgage, sell, dispose of or give options” with respect to “any and all real property belonging to” the Trust. The Trust instrument further provides that any amendment to or revocation of the Trust must be made by “a written instrument signed by the Grantor” and delivered to the acting trustee, and that “[n]o Beneficiary of this Living Trust will have the power to transfer, sell, assign, or otherwise encumber any assets or property held by this Trust prior to the Final Distribution by the acting Trustee.”

On April 30, 2013, Taylor transferred his ownership interest in the Property, together with other properties, to the Trust. Specifically, the recorded quitclaim deed for the Property states that Taylor “remit[s], quit claim[s] and convey[s] . . . all right, title and interest” in the Property to the Trust. It appears that Taylor used the Property, as well as others conveyed to the Trust, as rental properties, benefiting from the rents collected, both before and after its conveyance to the Trust.

On July 22, 2017, Angelica Maria Banales Rodriguez and her son, Giovany Alejandro Carrillo Banales (together, “Rodriguez”), signed an agreement with Taylor entitled “Real Estate Lease Purchase Agreement” (the “Agreement”). According to the Agreement, Taylor, in his individual capacity doing business as “Key Properties,” agreed to lease the Property to Rodriguez for down payments totaling \$8,000.00 and seventy-eight monthly payments of \$795.87, for a total purchase price of \$70,000.00, with the Property “to be titled in the name of buyer upon receipt of final payment.” There is no dispute that at the time the Agreement was executed, Taylor did not hold title to the Property; the owner of record on July 22, 2017, was the Trust. Furthermore, although Tennessee Code Annotated section 66-24-101 requires that a lease of more than three years be recorded in the office of the county register of deeds, the Agreement, with a term of six and one-half years, was never recorded.

In November 2021, Taylor needed a loan to cover expenses arising from his divorce. He approached Slava Bosin (“Bosin”), who agreed to loan Taylor \$350,000.00 in exchange for a security interest in the Property and three other properties owned by the Trust. Taylor individually executed a promissory note dated November 30, 2021. To perfect Bosin’s security interest, the Trust, as the owner of record, executed a “Tennessee Deed of Trust with Security Agreement and Assignment of Rents and Leases” encumbering the four properties. Specifically, the deed of trust was granted to Bosin by the trustee signing on behalf of the Trust. The deed of trust, recorded on December 3, 2021, warrants that the properties are “unencumbered.”

Approximately one month later, Taylor advised Bosin that he would not be able to repay the loan. After the default, Bosin elected to take title to the properties. To that end, on February 16, 2022, the trustee executed a special warranty deed on behalf of the Trust transferring the Trust’s interest in the four properties, including the Property, to Bosin. The deed warrants that the properties are conveyed “free of encumbrances created or suffered by Grantor” except for the enumerated items none of which included a lease or purchase option. Bosin recorded the deed in Shelby County on February 17, 2022.

In March 2022, Bosin notified Rodriguez of the change in ownership and asked Rodriguez to sign a new lease, which she declined. Bosin accepted monthly payments from Rodriguez for approximately twenty-four months. On February 8, 2024, after making her final payment under the Agreement, Rodriguez, through counsel, sent Bosin a letter stating that the payments were complete and requesting that Bosin transfer title to the Property pursuant to the Agreement.

In March 2024, Bosin filed a Forcible Entry and Detainer Warrant against Rodriguez in the Shelby County General Sessions Court, asserting a right of possession and unpaid rent. Before the General Sessions Court could hear the matter, on April 2, 2024, Rodriguez filed a Complaint for Injunctive Relief, Specific Performance of Contract, and to Quiet Title in the Chancery Court for Shelby County (the “trial court”). Bosin filed a motion to dismiss, and Rodriguez thereafter filed a motion for summary judgment. Following a temporary injunction hearing in May 2024, the trial court stayed the detainer action pending trial. The court heard the dispositive motions together on October 2, 2024, and took the matter under advisement.

On October 23, 2024, the trial court entered an order denying Bosin’s motion to dismiss and granting partial summary judgment in favor of Rodriguez. The trial court reasoned that, notwithstanding the 2013 conveyance to the Trust, Taylor “effectively”

owned the Property, citing federal grantor-trust taxation statutes¹, Tennessee Code Annotated sections 35-15-505(1) and -603(a)², and the Final Decree of Divorce entered in Taylor's divorce³. The court further reasoned that Taylor was at all pertinent times the agent and manager of the Trust's assets, such that the Trust did not need to be named in the Agreement to be bound by it; that Bosin took title with knowledge of the Agreement and therefore subject to it; and that Bosin's silence in the face of Rodriguez's repeated communications estopped him from denying the Agreement.

On November 7, 2024, the trial court entered a Final Judgment incorporating its prior order, finding that Rodriguez owed Bosin \$5,370.85 in taxes and insurance reimbursements, and ordering Bosin to convey good and marketable title to the Property to Rodriguez within thirty days absent a timely appeal.

Bosin timely appealed to this Court on December 4, 2024.

II. ISSUES PRESENTED

Bosin presents the following issues as stated verbatim in his brief⁴:

Whether the trial court erred in granting Appellees' Motion for Summary Judgment, where: (i) the purchase right to 3015 Dothan Street, Memphis, Tennessee 38118, ostensibly granted by Reinhold Taylor, Jr. to Appellees was ineffective and void because at the time the right was "granted," Reinhold Taylor, Jr. did not have any legal right or authority over the Property; (ii) the July 2017 unrecorded Real Estate Lease Purchase Agreement entered into between Reinhold Taylor, Jr. and Appellees was not enforceable against Appellant, Slava Bosin, a subsequent purchaser for value; and (iii) Appellees breached the material terms of the July 2017 Real Estate Lease Purchase Agreement thereby terminating any purchase rights

¹ The trial court relied on 26 U.S.C. §§ 673(a), 674(a), and 676(a), which classify a trust grantor as the owner for tax purposes if the grantor retains a reversionary interest worth over 5%, holds the power to control who benefits from trust income or assets, or retains the power to revoke the trust.

² The trial court relied on Tenn. Code Ann. §§ 35-15-505(a)(1) and 35-15-603(a), which establish that during a competent settlor's lifetime, assets in a revocable trust remain subject to the claims of the settlor's creditors, and the trustee's fiduciary duties are owed exclusively to the settlor rather than the beneficiaries.

³ "All right, title and interest of Plaintiff in the real estate located at 3015 Dothan shall be divested out of Plaintiff and vested in [Taylor]." Final Decree of Divorce.

⁴ The trial court's October 23, 2024 order is styled "Order Denying Defendant's Motion to Dismiss and Granting Partial Summary Judgment." Though Appellant refers to the trial court's denial of his Motion to Dismiss in both his brief and at oral argument, that denial is not presented as an issue for our review.

that might have otherwise existed under the July 2017 unrecorded Real Estate Lease Purchase Agreement.

III. STANDARD OF REVIEW

Summary judgment is a conclusion of law and, therefore, we review a trial court's grant of summary judgment *de novo*, with no presumption of correctness. *Rye v. Women's Care Ctr. of Memphis, M PLLC*, 477 S.W.3d 235, 250 (Tenn. 2015). A party is entitled to summary judgment only if the "pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Tenn. R. Civ. P. 56.04. As part of our review, we must "take the strongest legitimate view of the evidence in favor of the nonmoving party, allow all reasonable inferences in favor of that party, and discard all countervailing evidence." *Byrd v. Hall*, 847 S.W.2d 208, 210–11 (Tenn. 1993) (citations omitted), holding modified by *Hannan v. Alltel Publ'g Co.*, 270 S.W.3d 1 (Tenn. 2008), holding modified by *Rye*, 477 S.W.3d 235. Questions of statutory construction, and the interpretation of written instruments including trust instruments and deeds, are likewise questions of law that we review *de novo* with no presumption of correctness. *Harvey ex rel. Gladden v. Cumberland Trust & Inv. Co.*, 532 S.W.3d 243, 252 (Tenn. 2017).

IV. LAW AND ANALYSIS

On appeal, Bosin asserts that the trial court erred for three reasons, which we quote directly from the headings of his brief⁵:

- (A) Because Taylor did not own the Property at the time he purported to convey an interest in the Property, and because he did not have the authority to convey an interest in title to the Property owned by the Trust, the purported Lease Purchase is null and void;
- (B) The Tenants chose not to record the Lease as required by Tennessee law, and Bosin's recorded interest in the Property therefore has priority over, and supersedes, the Lease; and
- (C) Even if the Lease (and Purchase Option) were somehow valid, Tenants' purported Purchase Option was terminated when they breached the Lease.

⁵ While directly quoting Bosin's arguments, we have reformatted them slightly.

We will begin by examining what we deem to be the seminal issue in this case, which is the validity of the Agreement between Taylor and Rodriguez and what, if any, obligations Bosin has under that Agreement.

A. Taylor Had No Interest in the Property to Convey

As stated previously, it is undisputed that the owner of record of the Property on July 22, 2017—the date the Agreement was executed—was the Trust. Tennessee’s Uniform Trust Code, Tennessee Code Annotated sections 35-15-101 to -1206, provides for the creation of revocable trusts. Among the requirements for the creation of a trust is that it hold trust property. *See* Tenn. Code Ann. § 35-15-401 (methods of creating a trust); Tenn. Code Ann. § 35-15-103(37) (defining “trust property”). The trust property in this case includes the Property, which Taylor deeded to the Trust by recorded quitclaim deed on April 30, 2013. A trust, even a revocable one, is a distinct legal arrangement whose administration is committed to its trustee: “[u]pon acceptance of a trusteeship, the trustee shall administer the trust,” and the terms of the trust govern the duties and powers of the trustee except as the statute otherwise requires. Tenn. Code Ann. § 35-15-801; Tenn. Code Ann. § 35-15-105(a); *see Harvey*, 532 S.W.3d at 259.

By the very nature of a revocable trust, the grantor of such a trust maintains more control over the trust than under other types of trusts. *See* Tenn. Code Ann. § 35-15-602 (revocation and amendment); Tenn. Code Ann. § 35-15-603(a) (while a trust is revocable, the duties of the trustee are owed exclusively to the settlor). That control is not without limit, however. It must be exercised in the manner the trust instrument provides. By the very terms of the Trust instrument at issue in this case, Taylor was permitted to amend the Trust, to withdraw property from it, or to revoke it entirely, but only “on delivery to the acting Trustee of a written instrument signed by the Grantor.” The Trust instrument grants the power to “lease, rent, exchange, mortgage, sell, dispose of or give options” concerning the Trust’s real property to the *trustee* alone, and it expressly denies any beneficiary, including Taylor, “the power to transfer, sell, assign, or otherwise encumber any assets or property held by this Trust.” It is undisputed that Taylor never delivered a written instrument withdrawing the Property from the Trust.

As such, Taylor did not have any title to the Property that he could have conveyed to Rodriguez at the end of the lease period. There is no indication in the record that Rodriguez was aware that Taylor lacked the authority or ability to execute the Agreement. Nevertheless, it is well settled that one cannot convey what one does not own. *See Atchley v. Tennessee Credit, LLC*, No. M2013-00234-COA-R3-CV, 2014 WL 4629042, at *4 (Tenn. Ct. App. Sept. 16, 2014); *Pickens v. Daugherty*, 397 S.W.2d 815, 819–20 (1965) (attempted conveyance by one not holding the interest conveyed is ineffective). In *Atchley*, this Court affirmed the rescission of a purported sale of real property by a seller that did

not hold title at the time of the transaction, observing that our courts have long characterized the sale of land by one who does not own it as “a species of fraud.” *Id.*

In *Woods v. North*, 25 Tenn. 309 (1845), upon which *Atchley* relied, an executor sold land he believed he had the right to sell but did not own; our Supreme Court affirmed the rescission, holding that “[t]he very proposition to sell the land as executor was a species of fraud,” and explaining that whether a seller who has no right to sell the land intends to defraud the purchaser or not, the effect upon the purchaser is the same. *Atchley*, 2014 WL 4629042, at *4 (quoting *Woods*, 25 Tenn. at 312). As the *Atchley* trial court put the matter plainly, “you can’t sell property you don’t own.” *Id.* at *2.

The purported purchase option in the Agreement obligated the conveyance of fee simple title to the Property upon Rodriguez’s final payment. Whatever authority Taylor may have had to grant possession as a manager of rental property, the promise of *title* was a promise only the Trust, acting through its trustee, was legally authorized to make. *See* Tenn. Code Ann. § 35-15-114 (“[T]itle to real property conveyed by the trust must be conveyed by the trustee, as trustee of the trust.”); *Doramus v. Rogers Grp., Inc.*, No. M1998-00918-COA-R3-CV, 2001 WL 196974, at *7 (Tenn. Ct. App. Feb. 28, 2001) (“Unlike freehold estates, leases are not the means of transferring ownership in property. A lease creates possessory rights in the tenant, but nothing more.”). The Agreement, from its inception, was therefore invalid and unable to create in Rodriguez an enforceable right to acquire title to the Property. We do not opine as to what recourse Rodriguez may have against Taylor for this invalid conveyance. For reasons unknown, neither Taylor nor the Trust is a party to this lawsuit. Rather, the issue presented is whether this invalid Agreement was binding on the subsequent owner, Bosin. We hold that it was not.

B. The Trial Court’s Reasoning

The trial court reasoned, and Rodriguez argues on appeal, that the Agreement was valid because Taylor “effectively” owned the Property notwithstanding the recorded conveyance to the Trust. We find these arguments unpersuasive. As to effective ownership: the federal statutes upon which the trial court relied, 26 U.S.C. sections 673(a), 674(a), and 676(a), are provisions of the Internal Revenue Code’s grantor-trust rules. The statutes exist to determine who bears the federal income tax liability associated with trust property; they do not determine the state-law ownership of real estate or override the terms of a trust instrument and a recorded deed. Rodriguez’s arguments under the Tennessee statutes fare no better. Section 35-15-505(1), which subjects the property of a revocable trust to the claims of the settlor’s creditors during his lifetime, is a shield for creditors against the sheltering of assets; it is not permission by which the settlor may transfer trust property in his own name. Section 35-15-603(a) allocates the trustee’s duties to the settlor while the trust remains revocable; it does not dissolve the trust’s title or collapse the distinction between settlor and trustee that Taylor himself created. Indeed, the power confirmed in

section 603(a) highlights precisely what did not occur here: Taylor never directed the trustee to lease or sell the Property to Rodriguez, and the trustee executed nothing in Rodriguez's favor.

Additionally, the entry of the Final Decree of Divorce does not alter the analysis. That decree was entered in November 2021—more than four years after the Agreement was executed. Whatever its recitals concerning the Property, a divorce decree adjudicating the marital rights of Taylor and his former spouse, in a proceeding to which neither the Trust nor Rodriguez was a party, cannot vest Taylor with an ownership interest he did not hold in July 2017, when the Agreement was signed. The validity of a conveyance is measured at the time it is made. *See Pickens*, 397 S.W.2d at 819–20.

C. The Unrecorded Agreement Is Not Enforceable Against Bosin

Further, the actual chain of title did not include the Agreement, because Rodriguez failed to record it. Leases for more than three years are subject to registration, Tenn. Code Ann. § 66-24-101(a)(15), and “to be valid against any person other than the lessor, the lessor’s heirs and devisees, and persons having actual notice thereof, shall be proved and registered,” Tenn. Code Ann. § 66-7-101. Instruments not registered “shall be null and void as to existing or subsequent creditors of, or bona fide purchasers from, the makers without notice.” Tenn. Code Ann. § 66-26-103. The Agreement—a seventy-eight-month lease purchase—was never recorded. Bosin, by contrast, recorded his deed of trust on December 3, 2021, and his special warranty deed on February 17, 2022. His lien attached, and his priority was fixed, at a time when the record title was unclouded by any competing claim.

This Court’s decision in *Lee v. Stanfield*, No. E2008-02168-COA-R3-CV, 2009 WL 4250155 (Tenn. Ct. App. Nov. 30, 2009), is instructive. In *Lee*, a tenant under an unrecorded lease containing a right of first refusal sought to undo a sale of the leased premises to a purchaser who knew a tenant was in possession. The seller had assured the purchaser that there was no written lease and had supplied an affidavit that no unrecorded agreements or purchase rights encumbered the property. This Court held that the purchaser’s knowledge of the tenancy did not charge him with notice of the tenant’s unrecorded purchase right, reiterating the rule that “where a tenant’s possession is explained by a lease, a subsequent purchaser may reasonably infer that the possession is explained by the disclosed lease and ‘a subsequent purchaser will not be charged with notice of any other undisclosed title or equity which the occupant may have.’” *Id.* at *15 (quoting *Gregory v. Alexander*, 367 S.W.2d 292, 297 (Tenn. Ct. App. 1962)).

We determine that the same is true here. Bosin dealt with the record owner of the Property, the Trust, which twice warranted in recorded instruments that the Property was

unencumbered. Knowledge that tenants occupied the collateral properties told Bosin only that leaseholds existed; it did not, under *Lee* and *Gregory*, charge him with notice that one tenant held an unrecorded contractual right to acquire fee simple title upon completion of her payments. We acknowledge that this record, unlike the record in *Lee*, contains evidence that copies of the Agreement were transmitted to Bosin in January 2022, before he took the special warranty deed, and that Bosin told his agent he had “reviewed the leases.” Bosin denies knowledge of the purchase option, and at the summary judgment stage he is entitled to have that denial, and the inferences from the trustee’s contemporaneous warranties of unencumbered title, viewed in the light most favorable to him. *Byrd*, 847 S.W.2d at 210–11. But we need not rest our holding on any disputed question of notice, because notice of a void agreement obligates no one. *See Beard v. Branson*, 528 S.W.3d 487, 504 n.18 (Tenn. 2017) (“A document that is *void ab initio* is of no legal effect; it is as though it never existed.”). The recording statutes protect valid but unregistered instruments against purchasers without notice; they do not validate an instrument that its maker had no power to make. Taylor had no authority to convey a right to title in the Property under the Agreement, which rendered the purchase option void ab initio. *See Atchley*, 2014 WL 4629042, at *4-5. Bosin, therefore, was not bound by the terms of the Agreement.

D. Remaining Issues

Because we conclude that the Agreement’s purchase option was void and, in any event, not enforceable against Bosin, Bosin’s remaining issue concerning Rodriguez’s alleged breaches of the Agreement are pretermitted. Questions concerning the parties’ respective obligations for taxes, insurance, the funds Rodriguez has paid into court, the sums she has paid to Bosin since February 2022, and the status of her tenancy are to be addressed by the trial court on remand.

V. CONCLUSION

In light of the foregoing, we reverse the judgment of the trial court granting summary judgment in favor of Rodriguez, including the order for Bosin to convey title to the Property to Rodriguez. We remand the matter to the trial court for such further proceedings, consistent with this Opinion, as may be necessary, including proceedings concerning taxes, the funds on deposit with the Clerk of the trial court, and any remaining rights of the parties. Costs of the appeal are taxed to the appellees, Angelica Maria Banales Rodriguez and Giovany Alejandro Carrillo Banales, for which execution may issue if necessary.

s/ Valerie L. Smith
VALERIE L. SMITH, JUDGE