

## Professional Standards Update--Expiration Date of Listing

REALTOR® A, on his way to his office, noticed the deteriorated condition of a “For Sale” sign posted on an unimproved site bearing the name of REALTOR® B. He remembered that REALTOR® B’s “For Sale” sign had been on that site for a considerable period of time. REALTOR® A decided to call REALTOR®

B to determine the status of the property. In response to several questions, one of which was, “Do you have an exclusive listing on that property?” REALTOR® B replied that he was not obligated to disclose the nature, status, or the type of listing. After considerable conversation, REALTOR® A stated his intention to contact the property owners for this information, citing Standard of Practice 16-4 as the basis for his action. REALTOR® B warned REALTOR® A not to “cross his sign” and refused to discuss the matter further. A few days later, REALTOR® B had a telephone conversation with the property owners and learned of their decision to list their property with REALTOR® A when their current listing with REALTOR® B expired the following week. REALTOR® B filed a complaint against REALTOR® A with the Board, stating that REALTOR® A’s actions in contacting his client had been inconsistent with REALTOR® B’s agency.

The Grievance Committee reviewed the complaint and the response to the complaint filed by REALTOR® B. The case was referred to the Secretary to schedule a hearing by a Hearing Panel of the Board’s Professional Standards Committee. During the hearing, REALTOR® B repeated his complaint and his conversation with REALTOR® A. He also advised the Hearing Panel of his telephone conversation with the property owners and of their decision, as a result of REALTOR® A’s direct contact, not to relist the property with him, REALTOR® B. “Not only did REALTOR® A fail to respect my agency with the property owners by contacting them directly,” said REALTOR® B, “but he violated Article 16 by taking the opportunity to relist the property away from me!” REALTOR® A defended his actions by stating that he had requested information on the nature and status of the listing from REALTOR® B, as required by Article 16, and that REALTOR® B had refused to divulge the information; and that he had contacted the property owners only after this refusal, citing as his authority the principle established in Standard of Practice 16-4. “The sellers were happy to discuss listing their property with me, once I described the services my firm could offer,” said REALTOR® A. “They said they hadn’t had an interested customer since the first week of their listing with REALTOR® B.”

After giving careful consideration to all of the evidence and testimony, the Hearing Panel concluded that REALTOR® A’s actions had not been inconsistent with the agency of REALTOR® B. The panel advised that REALTOR® B’s refusal to disclose the nature and status of his listing had freed REALTOR® A to contact the property owners. The Hearing Panel’s decision noted that Article 16 requires a REALTOR® to respect the agency of another REALTOR®. But, in order to respect the listing broker’s agency, the REALTOR® must be able to determine if a listing really exists. If the listing broker refuses to disclose the existence, type, and duration of his listing, Standard of Practice 16-4 recognizes the REALTOR®’ S right to contact the seller directly to get that information. Once the REALTOR® secures information on the type and duration of the listing, Standard of Practice 16-4 also permits him to discuss the terms of a future listing or to enter into a listing that becomes effective upon the expiration of the current listing. The panel’s decision also indicated that REALTOR® B could have barred REALTOR® A’s contact with the sellers by simply providing him with information on the nature and status of the listing. The panel found REALTOR® A not in violation of Article 16 of the Code of Ethics.