

Assignment: #2 Discussions in Ethics

Discuss the questions following each case presented:

1. Sales associate James with Alpha Realty observed that a competitor's listing had been on the market for several months without selling. James contacted the property owners, discovered that the existing exclusive right to sell listing with the other broker would expire in 10 days, and secured an appointment with the sellers that evening. James convinced the seller to sign an exclusive right to sell listing with his company that would begin immediately upon expiration of the existing listing.

What are the legal and/or ethical considerations of James' actions, if any?

2. Sheila, a listing agent had prepared an offer from her own represented buyer to present to her seller client acting under a duly authorized intermediary agreement. Subsequent to presenting the offer to the seller, a competing offer was presented to her from another brokerage company. The offers were essentially the same, however, the competing offer was for \$500 more than Sheila's client's offer. That evening Sheila presented both offers to the sellers but offered to reduce her commission by \$750 in order to have her buyer's contract accepted although no pre-existing "variable rate commission agreement" was in place. The sellers accepted Sheila's offer.

What are the legal and/or ethical considerations created by Sheila's actions?

3. Jim Bob, an agent with Right ON Realty, decided to move his license to a competing firm. Before leaving his current company, Jim Bob contacted the sellers of all his current listings, as well as all his current prospective buyers, informed them of his upcoming move, and encouraged them to contact the broker for Right ON Realty and request that the broker terminate their existing contracts so that they could enter into new contracts with Jim Bob's new broker.

What are the legal and/or ethical ramifications of Jim Bob's actions?

4. Broker Alex, a buyer's representative makes an appointment through broker Betsy to show a property listed by Betsy's company. Broker Alex discloses to broker Betsy that he is representing the buyer. In the course of the conversation broker Betsy tells Alex that the sellers are in the middle of a very messy divorce and are getting desperate to sell. Broker Betsy relates this information to his buyer. The buyer as a result make a very low offer which is subsequently accepted by the sellers.

What are the legal and/or ethical ramifications of Broker Alex's and Betsy's actions?

5. Give an example of your opinion of the following:
 - a. An act that is legal but unethical
 - b. An act that is ethical but illegal
 - c. An act that is legal but immoral