



## **Ask Fred**

Clients expect a lot from their brokers, and they have every right to.

Question: I'm a real estate broker in a partnership with another broker and it has come to my attention that my partner made some promises to a potential buyer, when our client is the seller. Basically, my partner guaranteed that she could convince the seller to take a pretty substantial reduction in the sales property and I'm certain she hasn't discussed this with our client. The buyer is not represented by a realtor, and is also some sort of relative of my partner. I'd like to sit down with my partner and discuss the ramifications of her conduct upon our business and would appreciate you steering me in the right direction of why her conduct is probably not legal.

Answer: As I am sure you are aware, you and your partner's duty to your client is of the utmost importance to your representation of the client, and from what you have stated, your partner is putting the buyer's wishes before the client's. A broker's duty to be loyal to his or her client is regulated by statute, and also includes a duty to provide confidentiality, obedience, full disclosure and accounting. Under section 475.01(1)(f), a broker is also required by to use skill, care and diligence. All of the requirements are the broker's "fiduciary" duty to the client, which is a relationship of trust and confidence between the broker as agent and the seller or buyer as principal. A fiduciary duty owed by the agent to the principal is one of the fundamental building blocks of the agency relationship, and should never be trivialized or taken lightly, and as you have suggested, requires further discussion with your partner. I would suggest a reading of the definition of "fiduciary duty" to begin with, and the link is below. It is possible that circumstances exist that you are unaware of, such as the client asking your partner not to turn away any reasonable offers, even if it means a substantial reduction in the sales price, so it would be prudent to make that determination.

Thanks for asking, Fred Gray

[Click to read the statute.](#)