

# Legal Action Fund

As a REALTOR®, one of the contracts you may choose to enter into with customers and clients is the buyer agency agreement. Under this contract, you expect to be paid a commission for any services you provide to that client during the duration of the agreement. What if a client, while still engaged in an agreement with you, chose to purchase a home from a for-sale-by-owner instead?

A REALTOR® in Michigan found himself in that very situation, and chose to sue his client in an effort to collect the commission. In response to that action, the client counter-sued the REALTOR® claiming that an exclusive buyer's agency agreement is illegal under Michigan law.

Cases like this are the reason the Michigan Association of REALTORS® (MAR) Legal Action Fund was created.

## The purpose of the Fund is:

- \* to provide legal assistance/advice through the MAR's legal counsel to REALTORS® and local associations involved in, or being threatened with, litigation that could have an adverse impact on the entire industry;
- \* to promote an understanding of Michigan real estate law and its effect upon the industry;
- \* to enhance the rights of private property owners, as well as REALTOR® rights, responsibilities and professional conduct.

## How the fund Helps REALTORS®

When REALTORS® find themselves involved in lawsuits that they believe could have an impact on the entire real estate industry, they are encouraged to contact MAR to seek assistance through the MAR's Legal Action Fund. In most cases, the Legal Action Committee will approve funds to allow MAR legal counsel to participate in potentially precedent-setting cases as an amicus curiae (friend-of-the-court). By doing this, the Legal Action Fund can help shape the court's decision so that it will be more likely to decide in favor of REALTORS® and private property owners.

## How the Legal Action Fund is funded

Each of the over 26,000 existing members of the MAR is assessed a nominal yearly fee through the dues collection process that is earmarked for the Legal Action Fund.

## What types of issues does the fund address?

Each year, a wide variety of cases are brought to the attention of the Legal Action Committee for consideration. If the committee believes the case at hand has the potential to impact the entire real estate industry in Michigan, it will approve monies from the Legal Action Fund.

## Some of the issues that have been addressed via the fund include the following:

- \* Private property rights "takings"
- \* Right to arbitrate
- \* Agency contracts and responsibilities
- \* Restrictive township ordinances
- \* Seller's Disclosure Statement problems
- \* Deed restrictions

## What is the Legal Action Fund?

Through the MAR Legal Action Fund, the Legal Action Committee works to ensure that the rights of REALTORS® and private property owners are protected by playing an active role in the development of case law that protects and preserves the integrity of the real estate industry.

## **How are requests for assistance made?**

Members, or Local Associations, who anticipate a legal challenge as a result of an action or inaction on their part that could affect the entire real estate industry should contact MAR for a copy of the Legal Action Fund Request Form.

## **Who administers the Legal Action Fund?**

The MAR Legal Action Committee is responsible for administering the Legal Action Fund. The Committee meets as necessary to respond to requests for assistance.

## **For more information**

For additional information about the Legal Action Fund or the other advocacy services provided through the Michigan Association of REALTORS®, contact us at 800.454.7842