

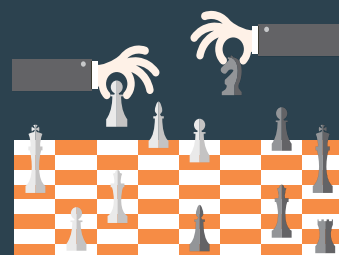
A publication of Michigan Realtors®

# MICHIGAN REALTOR®



KEEPING SAFE  
*by*  
BEING SMART

**PLUS:** Dangers in Wholesaling **Keep Burglars Out** Communications **Technology Trends**



*Winning Negotiations*

Three bedroom. Two bath. One big dog.



**We're putting more than a house within reach.**

There are many reasons people dream of buying a home. Like having a dog. At MSHDA, we want those dreams to become a reality. It's why we offer up to \$7,500 in down payment assistance to qualified first-time and repeat homebuyers\*. We'll leave teaching him to sleep on his own bed up to your client. To learn more, go to [OwnMiHome.org](http://OwnMiHome.org).

## COVER STORY

## Features

- 06 **5 Tips for Business-Winning Negotiations**  
Keep your 'knows' to the grindstone  
by Bob Corcoran
- 10 **A Peer into the Next 5 Years in Real Estate**  
Is the industry headed for a major disruption?  
by Travis Saxton
- 13 **56 Safety Tips for Realtors®**  
Prevention is always your best weapon
- 21 **10 Things a Burglar Doesn't Want You to Know**  
How to not invite burglars into your home  
by Jan Soultz Walker
- 24 **Communicate your way to higher sales with DISC**  
To whom you are talking determines what you should say  
by Bubba Mills

## Departments

- 02 **President's Report**  
Realtors® shaping the future... united  
by Gene Szepeinski
- 04 **Capitol Report**  
Trolls that can rob Realtors® blind  
by Brad Ward
- 26 **Legal Lines**  
Wholesaling: proceed with caution  
by Gregory L. McLelland, Esq.

# Realtors® shaping the future...united

Hopefully you have enjoyed the wonderful season of summer filled with vacations, beaches, fairs and festivals, hiking and biking, vintage car shows and tours and all that is offered amidst the sparkling blue waters of Pure Michigan!

As we begin to move toward fall, getting in as much golf before winter or maybe the final days at the beach or on a boat may be on your mind. However, September also brings the Michigan Realtors® biggest event – our Convention & Expo being held in the “comeback city” of Detroit at the Ren Cen’s newly remodeled Marriott from September 29th to October 2nd! What a powerful lineup of events, speakers and networking opportunities. Who will win Realtor® of the Year or the Realtor® Active in Politics awards? Take a Tour of Detroit on Thursday afternoon and gain a greater understanding of how the themes of community, collaboration and opportunity are reshaping the city. Listen to Dan Gilbert talk at the Grand Assembly about his commitment to rebuild the Motor City. Watch the Installation of 2016 Michigan Realtors® President, Gary J. Reggish. All while networking and educating yourself to the max!

It will be truly special to hear what Dan Gilbert, founder and chairman of Quicken Loans Inc. and Rock Ventures LLC has to say. Here are a few interesting tidbits about him: his empire includes Quicken Loans; the NBA’s Cleveland Cavaliers; casinos in 4 cities (including Detroit’s Greektown); 110 other loosely-linked small companies and at least 70 buildings in Downtown Detroit. He has 19 company rules or “isms” that include “Obsessed with finding a better way.” He employs 12,000+ in Detroit. His company received 22,000 resumes for 1,300 intern jobs in the summer of 2014. He has a scale model of downtown Detroit. His Father owned a bar in Detroit and his Grandfather owned car washes. He completely changed the business model of his mortgage company with a March 7, 1998 email to his staff that spoke of changing the industry via the internet and getting rid of branch offices. He sold Quicken loans in 1999 to Intuit for \$320 million then bought it back 3 years later after the tech crash for \$64 million. This should be a fascinating opportunity to hear and learn from an amazing entrepreneur!

A great list of speakers and educators includes: Grand Gathering Keynote speaker Crystal Washington, known for taking complex web and social media topics and making them easy to understand; Lynn Madison, who has developed and conducted REBAC’s ABR, BPOR and the SFR programs; Michael Krisa – The Interview Guy – will surely bring a unique perspective; Kelly White; a transformational leader, master trainer, business coach and mentor; Joe Meyer, who has delivered dynamic,

humor filled and innovative presentations since 1987. The lineup is extensive, so selecting who to see and what to attend will be a fun dilemma for all.

## Leadership News

Every year the June meeting of the Michigan Realtors® BOD has a very exciting element – the election of Officers! For 2016 your Leadership Team will be President Gary J. Reggish, President-Elect Jason Copeman and Treasurer Sara Lipnitz! Gary and Sara have been absolute RPAC champions and Jason is our first officer from the UP – Michigan Realtors® will be in great hands for 2016 and beyond!

A truly exciting opportunity awaits all of you in 2016 as Michigan Realtors® will be rolling out a Leadership Academy! You can learn, grow and gain skills you can bring to your association, clients and community. Watch for more details at Convention!

We have had two Presidential Advisory Groups convene this summer. One to explore our Elections/Governance bylaws and policies has provided motions for the BOD to consider. The Big Data PAG has also brought forth motions with future meetings scheduled to continue to explore the broad spectrum of Big Data.

A final thought on our Centennial Celebration on Mackinac Island. The Grand Hotel was the perfect setting as we explored our history accompanied by 23 Past Presidents. Walking into the Gala with that group was a humbling moment I will truly cherish. Presenting the RPAC awards on the porch of the Grand was spectacular! Thank you to the Centennial Task Force and especially the staff for all their hard work to make our time there so rewarding.

## Political Footballs

Here in Michigan, while we are inundated with road proposals (probably not much air in this ball after so many punts), our Michigan Realtors® advocates keep chipping away at the many bills we are supporting, monitoring and opposing while victoriously dragging some across the finish line. On the national scene we have the CFPB’s traveling TRID roll-out date, backroom discussion on eliminating 1031 like kind exchanges and the EPA’s new rule attempting to make nearly every puddle a water of the U.S. with Bills in the House and Senate to either stop it or not fund it. It is all happening in the regulatory world in DC as it has during the current administration. Be grateful for our lobbyists, volunteer advocates and RPAC!

In closing, I want to see you in Detroit for Convention! ●

02

ALTON | SEPTEMBER 2015



## PRESIDENT

**Gene Szpeinski**

CRS, GRI

CAR/CBOR/GRAR: 616.235.0900

[gszpeinski@signatureassociates.com](mailto:gszpeinski@signatureassociates.com)

## PRESIDENT-ELECT

**Gary J. Reggish**

CRS

GMAR: 248.374.6804

[garyreggish@remerica.com](mailto:garyreggish@remerica.com)

## TREASURER

**Jason Copeman**

GRI

UPAR: 906.225.5555

[jason@teamcopeman.com](mailto:jason@teamcopeman.com)

## CHIEF EXECUTIVE OFFICER

**Robert Campau, Esq.**

RCE, CAE

[rcampau@mirealtors.com](mailto:rcampau@mirealtors.com)

## EDITOR & ADVERTISING

**Joe Kras**

MBA, SAG-AFTRA

[jkras@mirealtors.com](mailto:jkras@mirealtors.com)

2015 Michigan Realtors® Board of Directors: District 1 Meagan Luce, (Traverse Area Association of REALTORS®); District 2 Gordon Naumoff, (West Michigan Lakeshore Association of REALTORS®); District 3 Lola Audu, (Grand Rapids Association of REALTORS®); District 4 Tom Darger, (Midland Board of REALTORS®); District 5 Art Yeotis, (Flint Area Association of REALTORS®); District 6 Carl Kaminski, (Southwestern Michigan Association of REALTORS®); District 7 Vance Shutes, (Ann Arbor Area Board of REALTORS®); District 8 Ron Zupko, (Livingston County Association of REALTORS®); District 9 Maureen Francis, (Greater Metropolitan Association of REALTORS®); District 10 Tom Kotzian, (Grosse Pointe Board of REALTORS®); District 11 Sara Lipnitz, (Greater Metropolitan Association of REALTORS®); District 12 Alex Milshteyn, (Ann Arbor Area Board of REALTORS®); District 13 Suzanne O'Brien, (Dearborn Area Board of REALTORS®); District 14 E'toile Libbett, (Detroit Association of REALTORS®); Past President Furhad Waquad (Greater Metropolitan Association of REALTORS®); Large Office Stu Elsea, (Greater Metropolitan Association of REALTORS®); Large Office Steve Fase, (Grand Rapids Association of REALTORS®); Rod Alderink (CAR) (MiCAR Representative); Sandy Covaleski (CBOR) (MiCAR Representative); MRAEC Rep. Melissa Tee (Jackson Area Association of REALTORS®)

Michigan REALTOR® provides information about the real estate profession and news of Michigan Realtors® and its members. Opinions expressed in signed feature articles are those of the author and do not necessarily reflect the viewpoint of Michigan Realtors®. Advertising of property, services or products herein does not imply endorsement by Michigan Realtors®.

Michigan REALTOR® (ISSN 1053-4598, USPS 942-280) is published six times per year (January, March, May, August, September, November) by the Michigan Realtors®, 720 N. Washington Ave., Lansing, MI 48906.

Address letters, address changes and inquiries to: Michigan REALTOR®, 720 N. Washington Ave., Lansing, MI 48906: 800.454.7842; Fax 517.334.5568. [www.mirealtors.com](http://www.mirealtors.com); e-mail [contact@mirealtors.com](mailto:contact@mirealtors.com). Subscription rates: \$8 per year (included in dues) for members, \$25/year nonmembers. Periodicals postage-paid in Lansing, Michigan 48924 and additional mailing offices. POSTMASTER: Send address changes to the Michigan REALTOR®, 720 N. Washington Ave., Lansing, MI 48906

# COMING EVENTS

## September 2, 2015

District Director Elections Online Voting Opens

## September 30 – October 2, 2015

Michigan Realtors® Convention & Expo

Detroit Marriott at the Renaissance Center, Detroit

## November 13-16, 2015

REALTORS® Conference & Expo

San Diego, CA

## January 20-22, 2016

Achieve 2016

Dearborn Inn, Dearborn

## June 8, 2016

Xplode Conference

Brought to you by Michigan YPN Network

Location TBD

## 2016 Michigan Realtors® District Director Elections

One Realtor®. One Vote. Vote for your district director online between September 2 – October 1, 2015:

<http://www.mirealtors.com/District-Director-Elections>

Find Michigan Realtors® on your favorite social networking sites:



03



## NAR REALTOR® Action Center App

Get the latest political news and headlines on issues affecting Realtors® and take action on a Call for Action right from your phone.

Go to [www.realtoractioncenter.com/realtor-party](http://www.realtoractioncenter.com/realtor-party) for details, or scan the QR Code.



## Trolls that can rob Realtors® blind

One of my boys' favorite bedtime stories is Three Billy Goats Gruff. The story revolves around three goats that want to traverse a rickety bridge to graze in the field on the other side, and get fat. The bridge however, is guarded by an ugly troll that eats whoever dares to cross the bridge. In the end, all three goats pass unharmed into the meadow, two by way of deception, the last by brute force. Well, boys and girls, trolls exist in today's world. They may not look gruesome or threaten to eat goats and children, but they can be no less pleasant or troublesome than the one in the story - and there is much discussion in Lansing and Washington, D.C. on how to put a stop to them.

I'm referring to the nuisance known as "patent trolls" who exploit the United States patent system to extort millions from business owners through broad-based demand letters on technologies never intended for patents. Targets of these letters are faced with the hard choice of paying out the demand amount, or engaging in a lengthy and costly litigation. The danger for Realtors® is that patent trolls have the potential to target anyone operating a real estate website.

Over the years, real estate brokers and Multiple Listing Services have been the targets of these demand letters. Typically, they involve patents on commonplace technologies such as property searches and scan-to-e-mail functions. The letters demand a licensing fee with the threat of court action, regardless of whether the business even violated the patent. Amounts can vary between a couple hundred dollars (a relatively attractive price to pay when faced with the prospect of litigation), and thousands.

At the Federal level, the National Association of Realtors® is supporting H.R. 9, The Innovation Act to reform the patent process and make it harder for these trolls to operate. Additionally, the Senate Judiciary Committee has introduced a similar bill with bipartisan support, S. 1137. These bills require trolls to include more specific information in their demand letters to allow companies to use their best judgment in choosing whether or not to pay. Additionally, Congress is working to include language that will make litigation discovery more efficient and cost effective to stop weak cases before they get too costly.

“

I'm referring to the nuisance known as "**patent trolls**" who exploit the United States patent system to extort millions from business owners through broad-based demand letters on technologies never intended for patents.

”

”



Recently, you were asked by NAR to take part in a "call to action" to contact your member of Congress for their support of H.R. 9. Realtors® already have a strong presence on the Hill through RPAC and lobbying efforts; however a call to action turns up the volume and allows members of Congress to hear from their constituents first-hand. I can't stress enough the importance of responding to a call to action. On average, the response rate from Michigan Realtors® members is only 10-12%, and we can do so much better. It's only a few moments of your time to click through something so vital.

Both H.R. 9 and S. 1137 are making their way through the House and Senate, respectively. Each bill has been reported from committee and is awaiting a vote on the floor. The bills are not without opposition. In drafting each bill, care has to be taken to put a stop to abusive practices without punishing the good actors. America is a country built on innovation; and legitimate claims to patent protections need to be preserved and protected in order to foster creativity.

Here in Michigan, the Michigan Realtors® are helping to lead a similar coalition of Main Street, high-tech, and manufacturing businesses in support of Senate Bill 289, sponsored by Senator (and as if you haven't heard it enough, Realtor® member) Margaret O'Brien (R- Portage). Senator O'Brien's bill would give state law protections, similar to those included in the federal legislation, to business owners against patent trolls. Among other things, the legislation would make it illegal to send a demand letter that contained false claims, allow the Attorney General to investigate and bring civil action against a patent troll, and permit an aggrieved party to collect attorney fees if they are successful.

If Senate Bill 289 were successful, Michigan would join 19 other states that have passed some form of law limiting the operations of patent trolls. The bill is currently on the floor of the Senate with a vote expected when they return to session full-time in September. Lobbying efforts by the Michigan Realtors and the rest of the coalition are producing good support for the issue in the Senate and there is a very positive outlook for getting something done in Michigan this year.

While providing the state some authority to address patent abuses here in Michigan is important, the real day of reckoning for these trolls will come with federal reforms to the patent system; especially with stronger restrictions

on demand letters. The National Association of Realtors® has estimated that patent trolls divert approximately \$29 billion out of the overall U.S. economy on an annual basis. For an industry such as real estate that lends trillions to overall economic activity, we are prime targets. Strong federal enforcement is essential to keeping our economic recovery moving forward.

We in the real estate industry are those Billy Goats Gruff, using technology and innovation as a bridge to greener pastures. It may only be a matter of time, until the "trip-trapping" of one of us wakes the ugly troll below the bridge and we find ourselves faced with the unreasonable demand of paying or "being eaten" through litigation costs.

So if you find yourself on the receiving end of a troll's demand letter, remember that first Billy Goat Gruff. He wasn't the biggest, but he was able to deter the troll from eating him by standing his ground and calling the bluff. When faced with a demand letter, you can show a little cunning by requesting additional information such as the scope of the patent, asking for the alleged violation, or a description of the intellectual property infringed. You may just see that troll back down.

Brokers and Multiple Listing Services can also play the role of the second, larger Billy Goat Gruff, in the face of a demand letter. Targets have the option of challenging the patent before the U.S. Patent and Trademark Office. They could also file a civil suit asking for a declaratory judgment that the claim of infringement is invalid. J.B. Goodwin, broker-owner of JB Goodwin Realtors® in Austin, Texas, did just that when he refused to capitulate to a troll's demands where so many of his counterparts paid up. Mr. Goodwin spent more than \$100,000 in legal fees but scored a victory for every Realtor® using property search technology on their websites when the complaint against him was withdrawn.

Collectively as an association, in our home states and nationally, we need to be the third, the strongest of all the Billy Goats, and kick back against the trolls. Tighter rules and regulations on patent demand letters and the process for patent infringement are imperative to protect our industry and the economy. Every day that goes by another job provider is subject to a frivolous demand letter. It's time to take back the system for entrepreneurs and innovators everywhere. It's time to kick that troll into the river never to be heard from again. ●

# 5 Tips for Business-Winning Negotiations

BY BOB CORCORAN





*"Place a higher priority on discovering what a win looks like for the other person." ... Harvey Robbins*

Oh, the close. That wonderful five-letter word all Realtors® strive for and seek. It's the word that keeps the world of real estate going round and round.

But let me share something with you about the close: The only thing that closes any real estate deal is skilled negotiation. It's what you do. It's why you signed up. Also, Realtors® who are good at it stand a much better chance at succeeding in real estate. In fact, all the top producers I know are excellent negotiators. They know and use the tips I'm about to share with you in this article. They not only understand the fundamentals of negotiation, but are also adept at putting those fundamentals to use.

So, how can you be a better negotiator? Here are five of my best tips:



1. Respect the other side's priorities. Just as the quote above suggests, it's key to understand what the other party wants. Effective negotiators learn as much as they can about what the other side's "hot buttons" are. Work to arrange transactions so that both sides feel as if they've gotten most of what they want. So instead of starting negotiations from an adversarial winner-take-all perspective, stay focused on the other party's top priorities as well as your own.



2. Know motivations. Besides understanding the other side's priorities, it's also essential to know their motivations for being in a real estate negotiation in the first place. Are they moving with a job? What's their timeframe? Is the school district important to them? Learn and understand by asking the right questions. You may need to sharpen your scripts so that you're asking the right open-ended questions to unearth key information.



3. Do your research and know the facts. Without exception those who have the most information and use it wisely win negotiations. So know the average days on market, list-to-sell price ratios, home amenities and all the other basics. Today's homebuyers are educated and are often well versed in the home buying process, due mostly to the Internet, so to be an expert in your market. And successful negotiators can separate facts from feelings. They avoid letting an unpleasant personality or style drag down the negotiations. They also avoid making the negotiations seem personal by using language such as "I believe" or "I think," focusing instead on statements of fact.



4. Create a sense of urgency. Smart buyers know there are deals to be had, and they don't want to lose out on a good deal. Will interest rates start to rise? Just maybe. Even though there are homes on the market, don't think buyers won't start snapping up those good properties at any time. And remember, don't waste time in negotiations. I've seen some Realtors®



leave offers on the table for a week or longer before responding --it's not professional and it's not in the best interest of your client.

5. Keep a positive attitude. Consider how comfortable you'd be on the operating table with a surgeon who's sending out vibes that things might not pan out. Focus on solutions and persist without exception. There really is a solution to every problem. Effective negotiation takes focus, concentration and skill. When it's done right, everyone feels they're walking away a winner.

Tell me what you're thinking. Just how good of a negotiator are you? Do you think there are areas in negotiation where you can improve? What can you start doing today to become a better negotiator? Please send any comments or questions you have to [Article@CorcoranCoaching.com](mailto:Article@CorcoranCoaching.com) or [www.facebook.com/CorcoranCoaching](http://www.facebook.com/CorcoranCoaching) ●



**Bob Corcoran** is CEO of Corcoran Consulting and Coaching Inc. ([www.corcorancoaching.com/programs](http://www.corcorancoaching.com/programs), 800-957-8353), an international consulting and coaching company that specializes in performance coaching and the implementation of sound business systems into Real Estate Companies, Mortgage Companies and Small Businesses. Corcoran Consulting is headed by Bob Corcoran -- a nationally recognized leader, speaker, author, coach and consultant. To find out more about Corcoran Consulting & Coaching, call 1-800-957-8353 or visit us at [www.CorcoranCoaching.com](http://www.CorcoranCoaching.com)

... **top producers** ...

not only understand the fundamentals of negotiation,  
but are also adept at

**putting those fundamentals to use**

**NEW**  
BROKER KNOWLEDGE DAY



MICHIGAN REALTORS®  
**CONVENTION**  
**EXPO**

Detroit Marriott at the Renaissance Center  
Detroit • 9.30 - 10.2, 2015

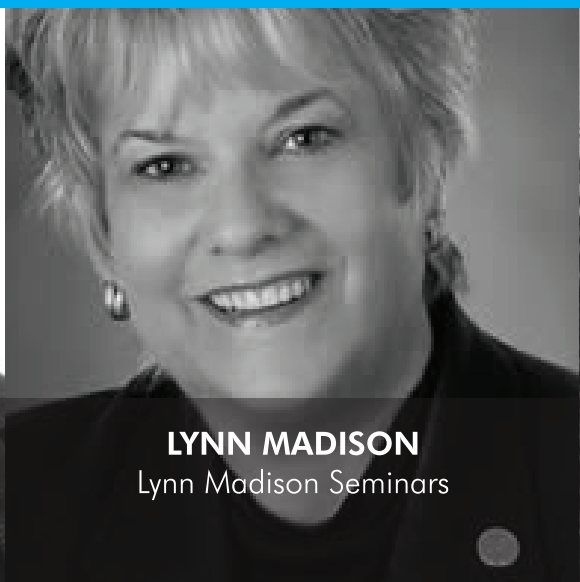
# shaping the



**Keynote: DAN GILBERT**  
Quicken Loans Inc.,  
Rock Ventures LLC



**Keynote: CRYSTAL WASHINGTON**  
CWM Enterprises,  
Socialtunities



**LYNN MADISON**  
Lynn Madison Seminars





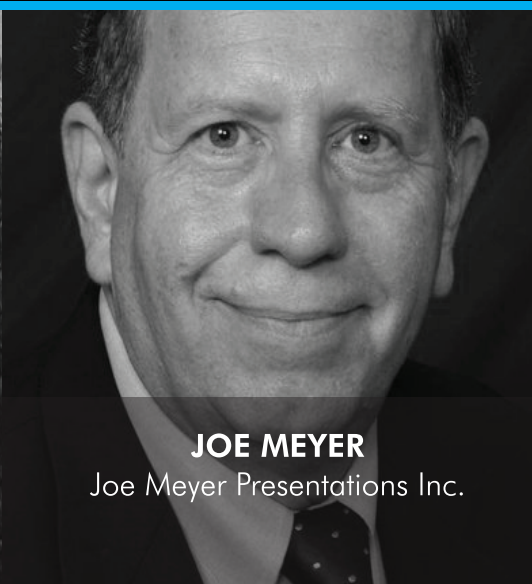
REGISTER TODAY AT: [WWW.MIREALTORS.COM/CONVENTION](http://WWW.MIREALTORS.COM/CONVENTION)



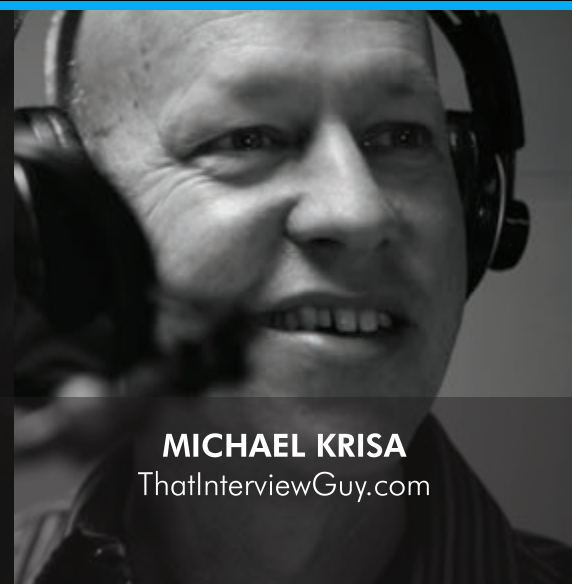
# future...united!



**KELLY WHITE**  
Strategic Growth Expert



**JOE MEYER**  
Joe Meyer Presentations Inc.



**MICHAEL KRISA**  
ThatInterviewGuy.com

---

# TECHNOLOGY TRENDING

---

a peer into the **NEXT 5 YEARS**  
in **REAL ESTATE**

BY TRAVIS SAXTON





There is much speculation about an Uber-type disruption for an on-demand real estate solution. At REAL Trends, we feel that is highly unlikely to happen. Here's why: the high emotional and financial investment in a real estate transaction means it's difficult to formulate an on-demand real estate relationship or transaction.

There is a company called Curb Call that is supposed to be the Uber of real estate, and it hasn't taken off like many thought it would. We do see technology upsetting our business model, but only in slight increments and not all at once. After all, a company may come in with a model like E-trade or Geico, significantly reducing or eliminating overhead, yet offering a virtual experience that is on-demand. The problem with the existing technology is that, in our industry, there is little to no transparent flow of data. Plus, the ability for a client to experience an all-in-one real estate transaction is significantly lacking. Until this gets to a point where it is flawless, and the consumer has a 100 percent transparent dashboard showing the whole real estate process (a dashboard that shows the entire real estate process, progress, closing, and more), we doubt this will happen. For now, we'll see shiny pennies and niche products that wow us but likely don't grab major traction.

## WHAT ABOUT HOME?

Recently, a company called Xome launched and peaked our interest. We think it will take a dramatic shift with the consumer in mind, and not the agent (unfortunately). That is the next big thing. I'm not saying Xome will be the disruption, I'm just using them as an example.

## SMART APPLICATIONS

We think big data and smart applications of big data are going to be next. Staying one step ahead of the closest competitor will be key. This plays into many areas of the real estate process, starting with pre-identifying leads to lead generation as we currently know it. The number of mobile consumers is growing so fast that using mobile to reach these consumers will render our current desktop strategies obsolete very soon (probably within 10 years). There are quite a few behavioral products on the market from Smart CRMS to SmartZip. These will evolve, too. We are working on a product that, based on consumer habits on real estate websites, will serve up emails that are constructed while the consumer is browsing. These emails are far more suited to consumers than the standard "new listing hits MLS with my criteria set." Matterport and virtual reality will replace traditional photos.

## SEARCH WILL CHANGE

We agree with Brian Borero of 1000Watt, who recently mentioned that the present-day real estate search would change. Everybody does the same thing; the standard search results are displayed and then users can click to view property detail pages. This will change, and a constant stream of content/video/dynamic results will be the future of real estate search. It should take all the guesswork out for the consumer.

## SHIFTING BUSINESS MODELS

Our industry is shifting to the consumer-centric model, and the Internet, more specifically the portals, has made that happen. This is why it is imperative for brokers to appeal to this on-demand, fastest-finger demographic with an e-team that is appealing to these consumers while still maintaining their traditional business.

This will be a breeding ground for new lead sources, technologies, and strategies, as well as more brokerage control and higher broker splits. In this scenario, the brokers may require more control over the process. It will move closer to a transactional type of business without actually being defined as one. The scalability of this is easier as systems will do more of the work than the people. ●



We do see

**TECHNOLOGY UPSETTING  
OUR BUSINESS MODEL,**

but only in slight increments  
and not all at once.





# Are Any Of These Things Compromising Your Sale or Listing?

## ***We Can Fix It!***



**Foundation  
Cracks**



**Nasty  
Crawl Space**



**Wet  
Basement**

*Within 10 Day Inspection Window?*

***We Can Help You Put Your Deal Back Together!***

*Call Today and Receive Our Estimate in 48 Hours.*

**Ayers Basement<sup>®</sup>  
Systems**  
Since 1981  
**Basement & Crawl Space Specialists<sup>™</sup>**

**888-494-9917 • SoldBasements.com**

Make your move today...

# THINK BIG



## RECREATIONAL LAND LOANS—

Are you looking to own a slice of the great outdoors? With GreenStone Farm Credit Services you can finance 20, 60, 100 acres...you pick the site and the terms up to 30 years. Plus, when you are ready to take the land to the next step, we have you covered, from homes to hobby farms and everything in between.

To learn more, contact a lending experts at one of our 36 offices today!

**800-444-3276**

 **GreenStone<sup>®</sup>**  
FARM CREDIT SERVICES

[www.greenstonefcs.com](http://www.greenstonefcs.com)



# 505

## SAFETY TIPS

### for Realtors®



You can keep a strong focus on Realtor® Safety throughout the year if you share these safety tips with your agents each week. You can post them on your Web site, add them to your newsletters or e-mail them directly to your agents.

Feel free to re-arrange the tips if you like. Regardless of when you send them, these weekly tips will help remind Realtors® of the tenets of Realtor® Safety: knowledge, awareness, and empowerment.

*All tips are taken from the NATIONAL ASSOCIATION OF REALTORS® Realtor® Safety Resource Kit. Direct your agents to NAR's safety Web pages at [www.REALTOR.org/Safety](http://www.REALTOR.org/Safety) for more information on the important topic of Realtor® safety.*

## 11261

### *Keep it light*

Show properties before dark. If you are going to be working after hours, advise your associate or first-line supervisor of your schedule. If you must show a property after dark, turn on all lights as you go through, and don't lower any shades or draw curtains or blinds.

## 11274

### *Shield your computer from e-mail viruses*

Computer viruses can impair and seriously damage your computer. Viruses are often distributed via attachments in e-mail spam. Never open an attachment from someone you don't know, and, if you receive a strange or impersonal-sounding message from a familiar address, check with that person to make sure that they really sent it.

## 11283

### *Don't be too public*

Limit the amount of personal information you share. Consider advertising without using your photograph, home phone number and/or home address in the newspaper or on business cards. Don't use your full name with middle name or initial. Use your office address—or list no address at all. Giving out too much of the wrong information can make you a target.

## 11294

### *Touch base*

Always let someone know where you are going and when you will be back; leave the name and phone number of the client you are meeting and schedule a time for your office to call you to check in.

## 11295

### *Open house: it ain't over till it's over*

Don't assume that everyone has left the premises at the end of an open house. Check all of the rooms and the backyard prior to locking the doors. Be prepared to defend yourself, if necessary.

## 11296

### *Sturdy doors are key to home safety*

Make sure that all your home's doors to the outside are metal or solid, 1 3/4" hardwood and have good, sturdy locks.

## 11297

### *Stranger danger*

Tell your clients not to show their home by themselves. Alert them that not all agents, buyers and sellers are who they say they are. Predators come in all shapes and sizes. We tell our children not to talk to strangers. Tell your sellers not to talk to other agents or buyers, and to refer all inquiries to you.

## 11298

### *Keep track of colleagues*

Have a check-out employee board at your office, listing your name, destination, customer name, date and expected return time.

## 11299

### *Wear your Realtor® ID*

Always wear visible company identification such as a badge. It is also best to drive a vehicle clearly marked with your company name. These will be invaluable for identification if you need to get assistance.

## 112610

### *Bring up the rear*

When showing a home, always have your prospect walk in front of you. Don't lead them, but rather, direct them from a position slightly behind them. You can gesture for them to go ahead of you and say, for example, "The master suite is in the back of the house."

## 112661

### *Be aware of adware and malware*

Be sure that you don't click on error messages with unfamiliar logos that state "your computer has been infected with a virus" or "Trojan found." These messages with unfamiliar logos will tell you there is something wrong with your computer and to download their protection service, when in actuality you are downloading a virus and setting yourself up for information loss.





### 11222

#### *Block identity theft*

Contact the fraud department of any of the three consumer reporting companies—Equifax®, ExperianSM and Trans Union®—to place a fraud alert on your credit report. The fraud alert automatically lets credit card companies and other creditors know they must contact you before opening any new accounts or making any changes to your existing accounts.

### 11223

#### *Got cell service, everywhere?*

When you're showing commercial property, thick walls and/or remote locations may interfere with mobile phone reception. Check in advance to be sure your phone is serviceable in the area in which you are showing the property.

### 11224

#### *Agree on an office distress code*

Create a voice distress code, a secret word or phrase that is not commonly used but can be worked into any conversation for cases where you feel that you are in danger. Use this if the person you are with can overhear the conversation, but you don't want to alarm them. Example: "Hi, this is Jennifer. I'm with Mr. Henderson at the Elm Street listing. Could you e-mail me the RED FILE?"

### 11225

#### *"Who's calling?"*

Install caller I.D. on your telephone, which should automatically reject calls from numbers that have been blocked. This will provide you with immediate information about the source of the call.

### 11226

#### *You take the wheel*

Whenever possible, take your own car to a showing. When you leave your car, lock it.

### 11227

#### *From dawn till dusk*

When showing a vacant commercial site, be aware of the time of day you meet a client. Showing a property at dusk or after dark, with no electricity on in the space you are showing, is not advisable.

### 11228

#### *Your e-mail is public*

Don't send any vital or private information via e-mail. Keep in mind that unlike Web sites, e-mail is never secure.

### 11229

#### *Checking in*

When you have a new client, ask him/her to stop by your office and complete a Prospect Identification Form (Find a copy online at [www.REALTOR.org/Safety](http://www.REALTOR.org/Safety)). Also, photocopy their driver's license and retain this information at your office. Be certain to properly discard this personal information when you no longer need it.

### 11220

#### *Have your excuse ready*

Part of being prepared to deal with a threatening situation is having "an out." Prepare a scenario in advance so that you can leave—or you can encourage someone who makes you uncomfortable to leave. Examples: Your cell phone or pager went off and you have to call your office, you left some important information in your car, or another agent with buyers is on his way.

### 11221

#### *Pick up some self-defense skills*

The best way to find a good self-defense class is to learn what is available, and then make a decision. Many health clubs, martial arts studios and community colleges offer some type of class. You can also ask your peers, friends and family if they have taken a self-defense class that they would recommend.





### *Don't get lost*

If you are in an unfamiliar area, make mental notes of landmarks, points of interest and intersections. And always know the exact address of where you are going. If you must use a GPS, then pull over and stop in a safe place first.



### *You are not alone*

If you encounter an individual while working late or alone in your office, indicate to that person that you are not alone. Say something like, "Let me check with my supervisor to see whether she's able to see you now."



### *Take 2 seconds* as you walk towards your destination to check out potential risks.

- Are people coming and going or is the area unusually quiet?
- Do you observe any obstacles or hiding places in the parking lot or along the street?
- Is anyone loitering in the area?



### *Your trash is another man's treasure*

Just bought a new entertainment system? A bunch of empty boxes out by the curb triggers an alarm to would-be thieves. Instead of putting boxes out in plain sight, cut them down, and stuff them in trash bags.



### *Choose flight over fight*

While every real estate agent should take a basic self-defense course, the primary goal in any threatening situation is to escape from immediate danger and call for help.



### *Nothing personal...*

When talking to clients and prospects, be friendly but still keep your personal information private. This means avoiding mention of where you live, your after-work or vacation plans, and similar details.



### *Shop online safely*

When shopping online, check out a Website before entering your credit card number or other personal information. Enter this information only on secure Web pages with addresses that start with "https" and have a closed padlock symbol at the bottom of the browser window. These are signs that your information will be encrypted or scrambled, protecting it from hackers.



### *Hide personal information*

Tell your sellers: DON'T leave personal information like mail or bills out in the open where anyone can see it. Be sure to lock down your computer and lock up your laptop and any other expensive, easy-to-pocket electronics, like iPods, before your showing.



### *Lock up client keys*

Be sure to use the lockbox property-key procedure that has been established to improve real estate agent safety. A reliable, secure lockbox system such as those made by NAR REALTOR Benefits® Partner Sentrilock ([www.sentrilock.com](http://www.sentrilock.com)) ensures that keys don't fall into the wrong hands.



### *Take 2 seconds* when you arrive at your destination to check out potential dangers:

- Is there any questionable activity in the area?
- Are you parked in a well-lit, visible location?
- Can you be blocked in the driveway by another vehicle?



### *Safe apartment living*

Moving into an apartment? Have the locks changed when you move in. (The maintenance crew can simply swap lock cylinders with a random vacant apartment, a project that is free and takes only a few minutes.) And, just use your last name, or if necessary last name and first initial, on your door or mailbox. This keeps strangers from knowing your gender or how many people live in your apartment.



### *Be careful with keys*

Don't hand out house keys to friends, even if they are trustworthy. Know the location of all your house keys all the time. Never use hide-a-keys or leave the key under the doormat, above the door, in a flowerpot, or anywhere outside the house. You may think you're being clever, but experienced thieves know all the tricks. Also, keep your car keys and house keys on a different ring if you ever use valet parking or leave your keys with parking lot attendants or even at a repair garage.





## 1112321

### *Don't get parked in*

When showing property or meeting someone, park your car in front of the property rather than in the driveway. You will avoid having your car blocked in, you'll have an easier time escaping in your vehicle, and you will attract lots of attention running and screaming to your car at the curb area.

## 1112331

### *Thwart thieves*

Remind your clients that strangers will be walking through their home during showings or open houses. Tell them to hide any valuables in a safe place. For security's sake, remember to remove keys, credit cards, jewelry, crystal, furs and other valuables from the home or lock them away during showings. Also remove prescription drugs. Some seemingly honest people wouldn't mind getting their hands on a bottle of Viagra, uppers or downers.

## 1112341

### *Long-term thinking*

If you think it may be some time before a property sells (and you may, therefore, be showing it often), get acquainted with a few of the immediate neighbors. You will feel better knowing they know your vehicle, and they will feel better about the stranger (you) who frequently visits their neighborhood.

## 1112371

### *Rely on good neighbors*

Inform a neighbor that you will be hosting an open house, and ask if he or she would keep an eye and ear open for anything out of the ordinary.

## 1112381

### *Be <sup>38</sup> pre-program!*

To best prepare for an emergency, pre-program important numbers into your cell phone. These may include your office, your roadside assistance service or garage, and 9-1-1.

## 1112391

### *Careful with cash deposits!*

If you periodically carry large deposits to the bank, be especially aware of any strangers lurking around the office parking lot. If you must transport cash deposits, use the buddy system or arrange for a security service or police escort.

## 1112401

### *Scam alert!*

At an open house, be alert to visitors' comings and goings, especially near the end of showing hours. Police have reported groups of criminals that target open houses, showing up en masse near the end of the afternoon. While several "clients" distract the agent, others go through the house and steal anything they can quickly take.

## 1112411

### *Keep it professional*

All of your marketing materials should be polished and professional. Don't use alluring or provocative photography in advertising, on the Web or on your business cards. There are many documented cases of criminals actually circling photographs of their would-be victims in newspaper advertisements.

## 1112421

### *Plan ahead with escape routes*

Upon entering an open house property for the first time, check each room and determine at least two "escape" routes. Make sure all deadbolt locks are unlocked for easy access to the outside.

## 1112431

### *Have a lifeline*

If you find yourself to be the last one in an open house and your car is not in the immediate vicinity of the venue, then make a phone call as you walk. Assailants will be less willing to attack if you are in mid conversation with another person. Give your best friend a call; they would love to hear about your day.

## 1112441

### *Public Transportation should be for the public...Not from the public*

If you plan on using public transportation, whether it's from a convention or to an open house, make sure that you are riding in a registered taxi (before entry). Be aware that people may be soliciting rides using their own vehicles. Ask yourself some questions before entering.

- Can you definitively indicate that the vehicle you are about to enter is a registered form of public transportation? (Look for signs, symbols, or a phone number on the car to confirm its validity)
- If in doubt stay out

## 1112451

### *Don't use the "V" word"*

When describing a listing, never say that a property is "vacant." This may be an invitation to criminals.

## 1112461

### *Be in Charge*

Whenever possible, be sure your cell phone has a full battery charge or is in the process of charging. This is critical, especially if you plan on leaving the house/venue.



## 1112277

### *When in doubt, shred!*

Thoroughly shred all papers with personal information before you throw them away. Shred unwanted credit card applications and “convenience checks” that come in the mail, credit card receipts with your account number, outdated financial papers and papers containing your clients’ personal information.

## 1112510

### *People are not always who they say they are*

Even with the help of caller I.D., you can never be too sure you know to whom you are talking. For example, if someone who claims to know you gives you a call and starts to make unusual requests on your behalf, then STOP TALKING!! Scammers feed off your reactions in order to compile additional information.

Hint: If the caller has no recollection of previous conversations, then they are not who they say they are.

## 1112561

### *Monitor your financial accounts*

Open your credit card bills and bank statements right away. Check for any unauthorized charges or withdrawals and report them immediately. Call if bills don’t arrive on time. It may mean that someone has changed contact information to hide fraudulent charges.

## 1112572

### *Make your clients your “safety partners”*

Inform clients who are selling that even though you are taking safety precautions and have checked and locked the home before leaving, they should immediately double-check all locks and scout for missing items immediately upon their return, in case you’ve missed any less-than-obvious means of entry.

## 1112583

### *Best practices for model home showings*

When a person comes through the office to view a model home, have them complete a guest register that includes their full name, address, phone number, e-mail, and vehicle information.

## 1112594

### *Don’t dial & drive!*

Using a cell phone while driving can cause an accident. For driving safety, purchase a hands-free phone kit for your vehicle. Also, never attempt to take notes while driving – pull over and stop in a safe place first.

## 1112595

### *Carry less*

If you carry a purse, lock it in your car trunk before arriving at an appointment. Carry only non-valuable business items (except for your cell phone), and do not wear expensive jewelry or watches, or appear to be carrying large sums of money.

## 1112596

### *Take 2 seconds*

to pause and look around as you enter your destination.

- Does anything seem out of place?
- Is anyone present who shouldn’t be there or who isn’t expected? ●



Copyright 2015 NATIONAL ASSOCIATION OF REALTORS®. Reprinted with permission.

## 1112413

### *Check suspicious e-mails*

Before you act on an e-mail request, check a list of the latest e-mail scams on the Federal Trade Commission’s Web site at <http://www.ftc.gov/bcp>.

## 1112449

### *Beware of “phishers”*

Don’t respond to e-mails requesting personal or private information such as passwords, credit card numbers or bank account numbers. Even if a message appears to be from your bank or a trusted vendor, credible companies never request private information this way.





# Need Dental Work or a Cleaning?

Save with a Plan from  
Distinct Benefit Solutions.



Keep more money in your pocket the next time you visit the dentist.

Savings range from 15%-50%\* in most cases.

Over 158,000 participating dental practice locations nationwide.\*\*

Sign up today!

[www.insuremirealtors.com/dental](http://www.insuremirealtors.com/dental)

## Your DBS Card Makes Everything Cheaper!

MICHIGAN  
REALTORS®

Distinct  
BENEFIT SOLUTIONS®

\*Actual costs and savings vary by provider, service and geographical area.

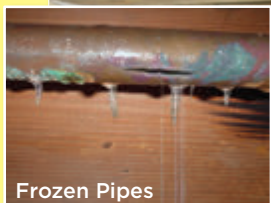
\*\*As of December 2014

**Disclosures:**

**This plan is NOT insurance.** The plan is not insurance coverage and does not meet the minimum creditable coverage requirements under the Affordable Care Act. This discount card program contains a 30 day cancellation period. This plan provides discounts at certain healthcare providers for medical services. This plan does not make payments directly to the providers of medical services. The plan member is obligated to pay for all healthcare services but will receive a discount from those healthcare providers who have contracted with the discount plan organization. Discount Medical Plan Organization: New Benefits, Ltd., Attn: Compliance Department, PO Box 671309, Dallas, TX 75367-1309, 800-800-7616. Not available to VT or WA residents.

© 2015 Distinct Benefit Solutions. All rights reserved.

# Does Your Listing Have A Cold, Wet, Stinky Crawl Space? Is It Compromising Your Deal?



Frozen Pipes



After



Nasty Crawl Space

## ***We Can Fix It!***

**Within 10 Day  
Inspection Window?**

***We Can Help You  
Put Your Deal Back  
Together!***

***Call Today and  
Receive Our Estimate  
in 48 Hours.***

**Ayers Basement<sup>®</sup>  
Systems**  
Since 1981  
**Basement & Crawl Space Specialists<sup>™</sup>**

**888-494-9917 • SoldBasements.com**

MICHIGAN  
REALTORS<sup>®</sup>



2 PAGE SPREAD



Full Bleed  
17 1/4" x 11 1/4"

Trim Size  
17 x 11

FULL PAGE



Full Bleed  
8 3/4" x 11 1/4"

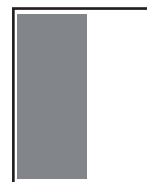
Trim Size  
8 1/2" x 11

HALF PAGE



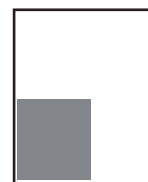
Horizontal  
7 1/2" x 4 3/4"

HALF PAGE



Vertical  
3 3/4" x 9 3/4"

QUARTER PAGE



Quarter  
3 3/4" x 4 3/4"

**How Will You  
Reach  
your target audience  
more than 24,000  
REALTORS<sup>®</sup>**

Reserve your 2015  
ad space in Michigan  
REALTOR<sup>®</sup> Magazine!

To place an ad, contact Joe Kras

Phone: 800.454.7842

E-mail: jkras@mirealtors.com

	1x	3x	6x
2 page	\$4,250	\$4,080	\$3,927
full page	\$2,500	\$2,400	\$2,310
half page	\$1,345	\$1,245	\$1,155
quarter page	\$1,060	\$960	\$870

Business card sized ads also available starting at \$250.

\*Magazine is printed in full color and ad prices reflect per insertion cost.

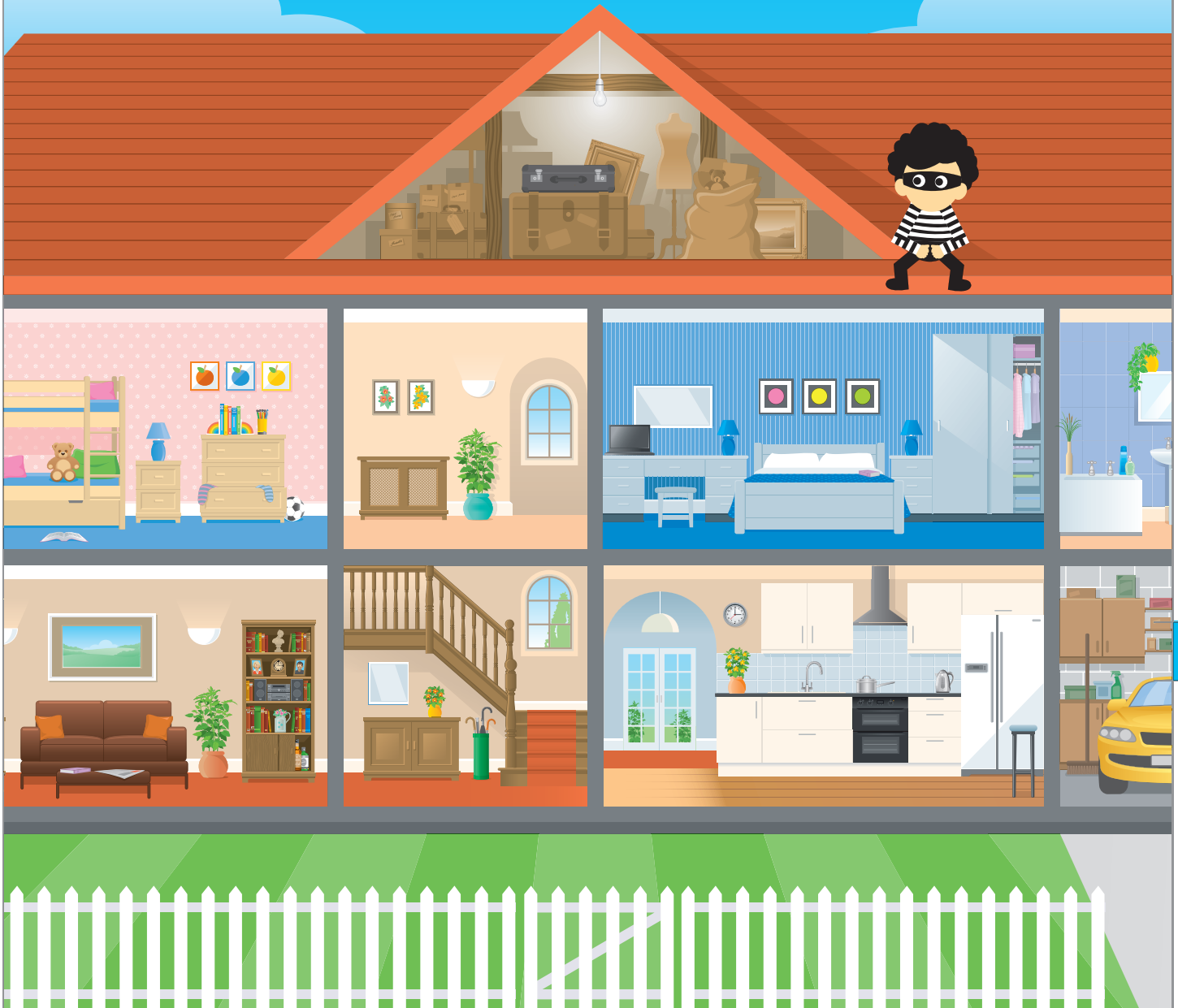
# 10 Things a Burglar Doesn't Want You to Know

BY JAN SOULTS WALKER, [HOUSELOGIC.COM](http://HOUSELOGIC.COM)

Successful burglars have a lot in common — homeowners who unwittingly give invitations to robbery. Here's how thieves thank you for your generosity.

You come home to an open front door, a ransacked house and missing valuables. How did a burglar know you'd be gone? How did they get in?

In these 10 thank-you notes, your friendly neighborhood burglars share advice on how to stop lending them a helping hand.





1

### Thanks for the appointment

Thanks for inviting me into your home to view the laptop you wanted to sell. I do apologize for the scare I gave you when I took it (and your purse).

Did you know that some large U.S. cities are averaging one so-called "robbery by appointment" per day? If you want to sell high-ticket items to strangers, I suggest you arrange to meet at the parking lot of your local police station. I definitely won't show up, and you'll still have your valuables (and your purse!)

*Regards, A Tough Sell*

P.S. Did you know there's a gizmo that mimics the glow of a TV?

2

### Dear B77

Thanks for alerting a professional acquaintance of mine via your social network that you were away for the week in Puerto Vallarta, having the time of your life. Me? I enjoyed a very relaxing visit to your home with no pressure of being caught.

If only you had known that posting comments and photos of your trip on social networks is fine — but do that after you return so you won't broadcast your absence!

*Sincerely, Cyber Savvy*

3

### Bad reflection on you.

You'd be surprised how many homeowners position a mirror in their entry hall so I can see from a window if the alarm system is armed. (Yours wasn't, but I'm guessing you know that by now!) Thanks for taking a lot of pressure off of me.

A little free advice: Relocate the mirror so your alarm system isn't visible if someone else would peer through a window.

*Fondly, Mr. Peeper*

4

### Jag, you're it!

Where are you? When you use popular geo-tracking apps, such as FourSquare and Glympse, I might know if you're not home. Web sites such as [www.pleaseroome.com](http://www.pleaseroome.com) help me keep track of your whereabouts.

If you prefer that I not visit your home, be careful about geo-tagging. But, otherwise, thank you for the loot!

*— Just Jagging Along*



5

### *Getting carried away*

Many thanks for putting your valuables into an easy-to-carry safe that I could carry right out your back door. (Nice jewelry, and thank you for the cash!)

You may want to invest in a wall safe, which I rarely attempt to open. Or, rent a lock box at your bank.

*With appreciation,  
Mr. Safe and Not So Sound*

6

### *Su casa es mi casa!*

I was sincerely relieved to find your back door was a plain wood-panel door. I had no trouble kicking it in (my knees appreciate how easy that was!) Imagine how silly I felt when I discovered that your windows weren't locked anyway.

You may want to take a cue from your neighbor and install steel-wrapped exterior doors with deadbolts on all your entries. And, be sure your windows are locked when you're away.

*All the best, Buster Door*

8

### *Thanks for the ladder!*

Call me a social climber if you will, but I did discover a ladder in your back yard. Thank you for leaving it where I could lean it against your home and easily reach a second-story window. I really love it when upper story openings aren't wired to a home security system!

So, if you want to keep me out, store your ladder in the basement or a locked garage. And call your security company to wire upper-story windows into your alarm system.

*Vertically yours, A rising star*

10

### *Loved your trash*

Can't tell you how much fun I have driving around neighborhoods on trash day (especially after big gift holidays) when the empty boxes on the curb reveal what wonderful new toys you have. Your thoughtfulness made it possible for me to land a new laptop and a flat-screen television in one easy trip to your home!

Next time, break down the boxes and conceal them in the recycling or trash bins. ●

*Happy shopping! Curbside Cruiser*

7

### *Dear Can't Get Around to It*

Recently, I noticed you hadn't trimmed trees and shrubs around your home, so I knew I'd have a wonderful place to hide while I worked to break into your home. I really can't thank you enough for all the great new things I grabbed.

Next time, trim back bushes and trees near windows and doors. Make sure entry points to your home are easily visible from the street — I much prefer to work in private! While you're at it, install motion-sensor lighting. I'm scared of bright lights!

*Cordially, The Tree Lover*

9

### *The telltale grass*

Wow, isn't it amazing how fast the grass grows these days? I swung by now and then and noticed your lawn was uncut, newspapers were piling up on the front steps, and your shades were always closed. To me, that's an open invitation.

Next time, hire someone you trust to mow regularly, pick up around the doorstep, open and close various window shades, and turn different lights on and off (or put a few on timers). One more thing: Lock any car you leave in the driveway, or I can use your garage door opener to get in quickly.

*Best, Your  
Trip Advisor*

# Communicate your way to higher sales with



BY BUBBA MILLS

Today's article is all about communication. Let me start with a story:

*A woman was standing in front of the mirror and said to her husband: "Oh my love, I'm so fat and so ugly. I really need to hear a nice compliment." Her husband replied: "You have great vision."*

Oh, the trouble we can get into when our lips flap, a fact to which any married person can attest... probably many Realtors® too. Because real estate is a people business, communication is the industry's bedrock. And, I can say this next sentence with certainty: Top producers in real estate are expert communicators.

If you want to join their ranks, you should jump at every opportunity to improve your communication skills. This article can help, and to be sure you get the most from the article, I only need you to remember four letters and their meaning: DISC.

DISC is a tool you can use to quickly assess a person's dominant personality. It's based on work by psychologist William Martson.

Generally speaking, it turns out there are four primary types of personality styles out there: Directors, Interactors, Supporters and Compliants. The next time you're giving a listing presentation, you'll be talking to one of those four types of people. And, when you understand which the one to which you're talking, you

can be much more effective and more likely to get the result you want.

So, let's dive into each and learn some practical tips you can start using in your daily life as a Realtor®:

- **DIRECTORS** are direct.

They want to make money, save time and be efficient. When you talk to directors, be short and to the point with closed questions. They seek productivity and the bottom line. They're motivated by new challenges and problems to solve. They enjoy power and authority to take risks and make decisions. And, they want freedom from routine and mundane tasks.

- **INTERACTORS**

want, you guessed, interaction, and lots of it. They want to have fun and they enjoy talking about themselves. When you're talking to interactors, add humor and don't labor on the details. They seek recognition and fun. They're motivated by flattery, praise,

popularity and acceptance, and they want other people available to handle details.

- **SUPPORTERS** are connectors. They want security, safety and a strong sense of belonging. When talking to supporters, ask for their opinions and feelings and offer open-ended questions. They're motivated by recognition for loyalty and dependability and they don't care for sudden changes in procedure or lifestyle. They also like activities they can start and finish.



- **COMPLIANTS** are thinkers. They're always wondering how things work. They want practicality, logic, fairness and a systematic approach. When talking to thinkers give facts, documentation and data. They seek accuracy. They're motivated by standards of high quality, limited social interaction, detailed tasks and logical organization of information.

Yes, understanding people, listening to their needs and wants and responding appropriately all take work and attention. But because real estate is a people business, it's simply a must. And the better at it you become, the better living you'll make as an agent or broker. I promise.

Best of luck to you!

Share what's on your mind. Which style do you feel you are? When you read the four personality styles, do certain people come to mind? Do you think you'd be a better communicator if you could iden-

tify your clients' personality styles? What can you start doing today to be a better communicator? ●



**Bubba Mills** is co-owner and executive vice president of Corcoran Consulting and Coaching Inc. ([www.corcorancoaching.com/programs](http://www.corcorancoaching.com/programs)), an international consulting and coaching company. He is a nationally recognized inspirational and education speaker, coach and mentor to the top real estate agents and mortgage companies.

Because real estate is a people business,

**COMMUNICATION**  
is the **INDUSTRY'S**  
**BEDROCK**



## Wholesaling: Proceed With Caution

If you are driving down the street and notice yard signs that proclaim "I buy homes for cash" or "Stop foreclosure," you may be seeing evidence of persons who are engaged in what is commonly called "wholesaling." This involves a real estate sale/investment model that can certainly be done lawfully, but which must be done with great care if a person is both a real estate licensee and a Realtor®.

The basic business model for wholesaling is pretty straightforward. It usually involves distressed properties. It is most easily described through the use of a hypothetical. Assume that Sam Smith is involved in making money from real estate but has very little spare cash. He uses his funds to solicit the purchase of properties from persons who have a need to sell. He places "bandit" signs in his area indicating that he will buy homes for cash. He also sends out letters to persons who may be interested in selling (e.g., persons whose residences are in foreclosure). His efforts result in him being contacted by the owner of 123 Elm Street who needs to sell her property as soon as possible. Sam enters into a purchase agreement with the owner to purchase the property for cash within thirty days for \$30,000. The purchase agreement contains a clause which permits Sam to assign his position as buyer to a third party without the consent of the owner. Further, the purchase agreement contains a contingency that permits Sam to lawfully terminate the purchase agreement at any time during the 30-day period (e.g., by using an inspection period which runs for all 30 days).

Upon entering into the purchase agreement, Sam immediately begins marketing 123 Elm Street to third parties. He contacts possible known investors, advertises over the Internet and places a sign in the yard of 123 Elm Street. His goal is to find a third party who will buy 123 Elm Street for \$35,000. If he can find such a person, he will assign his interest in his purchase agreement with the owner and pocket the \$5,000 difference. If he cannot find a cash buyer within the 30-day period, he will exercise the contingency in the purchase agreement and terminate the transaction with the owner.

Any person can lawfully engage in wholesaling without a real estate license so long as he or she does not engage in more than five real estate sales in any 12-month period. If he or she engages in

more than five sales during a 12-month period, then he or she must be licensed under Article 25 of the Occupational Code. However, obtaining a license as a real estate salesperson does not cure all the potential problems with this practice. There are a number of hoops that real estate salespersons would have to jump through in order to make sure they do not run afoul of the law.

First, if in our hypothetical, Sam Smith is a real estate licensee, he would be required to disclose to the owner of 123 Elm Street in writing that he is a licensed salesperson prior to the owner entering into a purchase agreement with him.

Second, if Sam Smith finds a cash buyer to purchase 123 Elm Street for the sales price of \$35,000, then arguably the difference between his purchase price (i.e., \$30,000) and his sales price to the third party (i.e., \$35,000) should be disclosed in writing to the owner of 123 Elm Street. In addition, Sam must obtain the written permission from the owner to receive the valuable consideration (i.e., \$5,000). Rule 317 provides that a licensee who buys an interest in property and who is due a commission or "other valuable consideration" as a result of the sale is required to disclose and obtain the consent of the owner in writing.

Third, when Sam begins his activities to sell 123 Elm Street to a third party, he must do so through his broker or another licensed broker. Rule 319(2) requires a real estate salesperson to conduct a sale of real estate, other than his or her principal residence, through a licensed broker.

Fourth, when Sam goes about advertising 123 Elm Street to third parties, he can only do so under the supervision of, and in the licensed name of, his broker. This is required by Rule 329, which specifies that a salesperson may only advertise to sell property under his or her name if the property is the principal residence of the salesperson.

Finally, it must be pointed out that even if Sam carefully follows all of the requirements listed above, it could be argued that Sam is nonetheless in violation of Rule 333(1). This rule precludes a licensee from "directly or indirectly" misrepresenting material facts. Under the wholesaling business model, at the time Sam enters into the purchase agreement with the owner of 123 Elm Street, he has no intention of fulfilling the terms of the purchase agreement unless he successfully finds a third-party buyer within the 30-day period. If Sam does not disclose this fact to the owner of





123 Elm Street at the time he makes the offer, it could be argued that he has at least indirectly misrepresented a material fact, (i.e., he will walk away if he cannot find a third-party buyer). It could also be argued that the failure to disclose this fact was not only a violation of Rule 333(1) but constituted a fraudulent inducement of the owner of 123 Elm Street to enter into the purchase agreement.

This article is intended to reach not only licensed salespersons who are engaging in wholesaling or thinking about doing so, but also the brokers with whom they are affiliated. Under Michigan law, brokers are generally required to supervise the salespersons affiliated with them and may be held responsible for a salesperson's failure to comply with the law. For this reason, brokers should concern themselves with the wholesaling activities of their salespersons. Brokers need to make certain that agents affiliated with them understand and follow the requirements imposed by the licensing rules.

## No License — No Pay

Most Realtors® are aware that if a broker is owed a commission and wishes to go to court to collect it, the broker must be able to allege and prove that he or she was properly licensed under Article 25 of the Occupational Code at the time he or she performed the acts for which the commission was owed. The question "what are the exceptions to this law?" has been posed many times. When can a person who, for the most innocent of reasons, was unlicensed at the time he or she performed the acts for which he or she were seeking a commission, go ahead and collect that commission in court? The answer to the question is that there is only one exception.

A broker may pay a commission to a then-unlicensed person in one instance. Rule 339 provides that a broker may pay a commission to a former agent if the former agent earned the commission while licensed to the broker. This rule is perfectly consistent with the statute, as a real estate licensee only has to prove in court that he was properly licensed at the time he performed the act for which he is owed a commission.

A recent decision by the Court of Appeals involved a home improvement contractor who was sued by two sales representatives for unpaid commissions allegedly owed to them under the

terms of their independent contractor agreements with the home improvement contractor. Home improvement contractors and their sales representatives must be licensed under Article 24 of the Occupational Code. Like real estate licensees, home improvement contractors and their sales representatives bringing an action in court for the collection of a commission must prove they were properly licensed during the performance of the act or contract. In this case, while the home improvement contractor was properly licensed, the two salespersons were not.

The home improvement contractor immediately moved for summary disposition against the two sales representatives based on the fact that the salespersons could not prove they were properly licensed at the time they provided services to the home improvement contractor as independent contractors. The salespersons did not dispute that they were not licensed. However, they argued that the requirement should only apply to legal actions brought against consumers, and not claims against the home improvement contractor with whom they had entered into an independent contractor relationship. The trial court granted summary disposition and dismissed the sales representatives' case. When they took their case to the Court of Appeals, they got the same result. The Court of Appeals found no exception to the statute. Since the salespersons were not licensed, they were not entitled to bring an action for unpaid commissions. It is likely that the Court of Appeals would apply the same analysis to a lawsuit brought by a salesperson to collect a commission owed to the salesperson by his or her broker. ●

**Michigan Realtors®  
can stay informed  
of legal issues with  
updates through  
our Legal Lines.**

# BUSINESS & EVENTS

The Business & Events section provides a cost-effective way for members and service providers to advertise to over 24,000 Realtors® across the state of Michigan. To have your business card sized ad (2" x 3.5") featured in the next issue for only \$200 for Michigan Realtors® members and \$250 for non-members, contact Joe Kras at 800.454.7842 or [jkras@mirealtors.com](mailto:jkras@mirealtors.com).



Each Office is Independently Owned And Operated.

**ROBIN STRESSMAN, GRI, CRS, ABR®**  
Associate Broker  
(989) 953-7349 BUSINESS  
(989) 773-2197 FAX  
[robin@mtpleasant.net](mailto:robin@mtpleasant.net)

**COLDWELL BANKER**

**MT. PLEASANT REALTY & ASSOC.**  
304 East Broadway St.  
Mt. Pleasant, MI 48858  
[www.mtpleasant.net](http://www.mtpleasant.net)

**Outgrown Your Broker?**

Did you know your broker takes your commission dollars and uses them to recruit and train your in house competition! If that is true, you may have outgrown them.

Call and find out how to take control of your business and your life. It could be the best call you ever made!

**Frank J. Tarala**  
**586.215.9933**



**PRINCIPAL**  
**BROKERS NETWORK**  
PRIVATE REAL ESTATE BROKERS

## MICHIGAN REALTORS® Upcoming Events

[mirealtors.com](http://mirealtors.com)



### 2015 Convention & Expo

September 30 - October 2  
Detroit Marriott  
at the Renaissance Center

### Achieve 2016

January 20-23  
Dearborn Inn  
a Marriott Hotel





CHANGE HAS ITS PERKS

## ENJOY ONE STOP FOR YOUR CE NEEDS

Find certified courses that meet the audit standards set by LARA  
Leave the tracking to us when you take a CE Marketplace certified course  
Rest assured, audit protection when you need it

for more information

visit [www.cemarketplace.net](http://www.cemarketplace.net) or call 844.642.6633 (844.MI.CONED)



# Marketplace

MICHIGAN'S CONTINUING EDUCATION  
HUB FOR REAL ESTATE PROFESSIONALS



# Your Client Called...



*"They were thrilled you made their first home buying experience so memorable."*

For more than 20 years, Realcomp has been helping you help your customers—with, technology, expertise and tips aimed at ensuring service and efficiencies for all involved. That includes:

- RealcompMLS App—a real-time real estate search app for consumers & REALTORS®
- The RCO3® MLS system—One of the most powerful flexible MLS systems in the country
- Access to Statewide Public Record Data *(for the Upper and Lower Peninsulas)*
- Online Forms, Document Storage, and Electronic Signatures Technology
- ShowingTime™ Showing Management Technology
- Down Payment Resources—integrated with the MLS system

**Your success is our success.**

To learn why more REALTORS® choose Realcomp, visit: [Realcomp.MoveInMichigan.com](http://Realcomp.MoveInMichigan.com).



Phone: 866.553.3003  
[Realcomp.MoveInMichigan.com](http://Realcomp.MoveInMichigan.com)  
[www.MoveInMichigan.com](http://www.MoveInMichigan.com)  
[www.facebook.com/realcompimls](https://www.facebook.com/realcompimls)  
[twitter.com/realcompmls](https://twitter.com/realcompmls)