



February 2018 NEWSLETTER

UPCOMING SEMINARS

Wednesday, February 7, 2018 from 12:00 p.m. to 1:00 p.m.:

Shannon B. Jones and Steven D. Spile through California Real Estate Legal Alliance (“CRELA”) will provide a webinar for members of CRELA addressing Current Issues Affecting Real Estate Professionals.

Wednesday, February 21, 2018 from 9:30 a.m. to 12:00 p.m.:

Shannon B. Jones will be providing a Risk Management Seminar before the Contra Costa Association of Realtors at the Shadelands Civic Arts Center, 111 N. Wiget Lane in Walnut Creek, California. For more information, please contact Jason Catalano (925) 295-9202 or [Jason@ccartoday.com](mailto:Jason@ccartoday.com).

Wednesday, March 14, 2018 from 9:00 a.m. to 10:00 a.m.:

Shannon B. Jones will be providing a New Member Orientation before the Contra Costa Association of Realtors at the Shadelands Civic Arts Center, 111 N. Wiget Lane in Walnut Creek, California. For more information, please contact Jason Catalano (925) 295-9202 or [Jason@ccartoday.com](mailto:Jason@ccartoday.com).

*A quick note to keep you current regarding events in our office, law and issues...*

A NOTE FROM SHANNON –

We started 2018 with a risk management tip designed to save our clients attorney’s fees and costs. That tip relates to the maintenance of files and ensuring files are complete before they are submitted to our office. If you would like a copy of the tip, please let us know.

Unfortunately, 2017 brought with it extraordinary weather, including significant winter rains, which caused landslides, drainage issues and flooding throughout the State of California. We are seeing legal issues arise out of those conditions. For example, we are seeing an increase in nondisclosure suits relating to drainage, flooding and general water intrusion issues. A lawsuit was recently filed in Southern California arising out of the mudslides. We are also seeing repercussions in the insurance industry. Some insurers are reluctant to issue property insurance given the fires. In addition, some of the errors and omissions insurers are hesitant to insure brokerages in the areas of the fires. It is recommended that agents advise their buyers to begin looking for fire insurance as early in the transaction as possible. However, we do not believe that the fires are going to create any appreciable amount of nondisclosure litigation and therefore, we believe that this is a temporary concern and will not affect procuring insurance in the long run.

We wish you a happy, healthy and prosperous 2018.

HOLIDAYS –

Our offices will be closed for President’s Day on Monday, February 19, 2018.



About Shannon...

Shannon B. Jones is the owner and managing partner of Shannon B. Jones Law Group. She has been representing real estate agents and brokers for almost 30 years.

She has an undergraduate and law degrees from the University of Southern California. She is a member of CAR's Strategic Defense Panel.

She has published a number of articles and the best-selling real estate book, "A Real Estate Agents Practical Guide to Avoiding Litigation." She is a shareholder in California Real Estate Legal Alliance ("CRELA"), a company established to represent real estate professionals throughout the State of California that offers real estate advice, coaching, claims prevention, effective and efficient management of claims, risk management, cutting edge industry information, insurance management assistance, as well as other beneficial services.

**LEGAL UPDATES** – Our website was recently updated to include the following:

- An article wherein a Bankruptcy court holds that real estate commissions belong to the Bankruptcy Estate.
- A risk management tip regarding handling transaction files after a claim arises.
- An article was posted on the CRELA website regarding the risks of serving alcohol at open homes. It can be accessed by members of CRELA and clients of Shannon B. Jones Law Group, Inc.
- An article wherein a court holds that the order of recording does not establish priority.

*A complete discussion of these matters can be found on our website, [www.calrealestatelaw.com](http://www.calrealestatelaw.com), under Legal Updates.*

**RECENT RESULTS** –

**SBJLG Successfully Obtains Closure of CalBRE Inquiry Against Listing Agent** – Recently, two (2) buyers purchased vacant land from a seller without investigating the property's development potential prior to the close of escrow. The buyers performed their investigation after the close of escrow, and determined that the land, which does not have sewer access, lacks the sloping required to house a septic system, essentially, rendering the property undevelopable for residential purposes. The buyers then filed a complaint against the listing agent with the Bureau of Real Estate ("CalBRE"). They claimed that they purchased the property in reliance on an alleged misrepresentation by the listing agent that the property is developable and meets the required specifications for a septic system. SBJLG was able to show that the agent had properly and expressly recommended to the buyers that they investigate the feasibility of their desired use of the property prior to the close of escrow, necessarily including its development potential. CalBRE closed the investigation. Shannon B. Jones, Nick Fine, and Zach Scalzo worked on this matter.