



## September 2016 NEWSLETTER

### UPCOMING SEMINARS

Thursday, September 1, 2016 from 11:00 a.m. to 1:00 p.m.:

Shannon B. Jones will be providing a Risk Management seminar before the Bay East Association of Realtors Big Office Brokers Meeting located at 7021 Koll Center Parkway, Pleasanton, California.

For more information, please contact Vickie Perreira (925) 730-4075 or [VickieP@bayeast.com](mailto:VickieP@bayeast.com).

Tuesday, September 6, 2016 from 10:00 a.m. to 12:00 p.m.:

Shannon B. Jones will be presenting a Risk Management Seminar for the Santa Clara County Association of Realtors located at 1651 N. First Street, San Jose, California.

For more information, please contact Cindy Buck-Louis at [cindy@sccaor.com](mailto:cindy@sccaor.com).

Wednesday, September 7, 2016 from 9:00 a.m. to 12:00 p.m.:

Shannon B. Jones will be providing a "Back to Basics" Seminar for 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 Note From Shannon...*

In August 2016, we arbitrated a matter between two agents arising out of a partnership. The partnership had been terminated, but one of the agents felt she was entitled to commissions from transactions involving the partnership's clients after the termination. We represented her partner, the respondent. Unfortunately, a significant amount of money was spent on attorney's fees. The claimant was unsuccessful. In fact, the claimant was required to reimburse her broker for attorney's fees under her Independent Contractor Agreement.

As agents are working together both as partners and in teams, more disputes are arising between agents arising out of those relationships. When the relationships terminate, claims arise, including arbitrations and lawsuits. Unfortunately, significant amounts of money are spent on these disputes.

In order to prevent these disputes, it is recommended that agents retain counsel prior to entering a partnership or team to prepare appropriate agreements between the parties. These agreements need to include, but are not limited to the following terms: formation; operation; payment; addressing expenses and income; addressing accounting; addressing ownership of partnership/team assets; and dissolution. If an appropriate agreement is not prepared, it becomes very difficult to resolve these disputes, which leads to more attorneys' fees prosecuting and defending these claims. In hindsight, the attorney's fees in preparing an appropriate agreement are minimal compared to the attorney's fees spent if a dispute arises. Therefore, agents are encouraged to retain counsel to properly document their relationships when entering into partnerships or teams.

### RECENT RESULTS –

In August 2016, the Law Group successfully defended a claim by a real estate agent against one of our clients that she was entitled to compensation arising out of the agents' partnership. In that case, two agents executed a partnership agreement agreeing to equally share commissions. The partnership was terminated. The claimant sought fifty percent (50%) of commissions of all transactions after termination where the claimant thought there was a nexus to the original partnership. The matter was arbitrated and the claimant was awarded nothing. The Law Group represented the successful respondent. Shannon B. Jones and Nick D. Fine handled the matter.



Wednesday, September 14, 2016 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, located at 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).

Friday, September 30, 2016 from  
9:00 a.m. to 10:00 a.m.:

Shannon B. Jones will be providing a Legal Update at the California Association of Realtors Legal Affairs Forum at the Long Beach Convention Center located at 300 East Ocean Boulevard, Long Beach, California.

For more information, please contact Jenny Li at [JennyL@car.org](mailto:JennyL@car.org).

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

- An article wherein the Ninth Circuit Court of Appeals held that a real estate agent may not deduct rental losses where she cannot show material participation in the rental activities of the properties.
- An article regarding a California Appellate Court decision finding that a tenant may not be held liable for injuries to a worker in a common area.
- A risk management tip Question & Answer regarding the translation of documents and reports.
- An article regarding a case where a court holds that a three-year statute of limitations applies to a quiet title action.

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

**BLOG UPDATES** - Our website was recently updated to include the following blogs:

- A blog regarding the Loss of \$2M due to Wire Fraud
- A blog regarding the Nigerian Man Arrested in Wired Fraud Crime
- A blog regarding a Question and Answer Regarding Listing Price
- A blog entitled "Question and Answer Regarding Receipt of a Commission By a Buyer."

*Please visit our blog at <http://www.calrealestatelaw.com/BLOG-1>*

### **HOLIDAYS**

Our office will be closed on Monday, September 5, 2016, in honor of Labor Day.