



**DON'T LET ORGANIZED
REAL ESTATE,
(REALTORS®), STEAL
YOUR RIGHT TO CHOOSE
YOUR OWN AGENT!!!**

There's nothing quite like being robbed, especially when you don't even know someone has their hand in your pocket. Yet, every day, thousands upon thousands of home buyers across America are effectively being robbed, having their rights stolen by real estate agents who represent seller interests...losing their ability to choose agents who will represent their best interests as buyers. Go to see a home with an agent, the trap is set. Go to an Open House...the trap is set. Think you're free to look, no strings attached? Think again!

So, what's the culprit behind this attempted theft of your rights??? Organized Real Estate's best kept, dirty little secret...Realtor® Procuring Cause.

Hardly ever disclosed, this Secret Contract can spring into action anytime you go to look at property with an agent...even when that agent is bound, by law, to represent the best interests of the seller, which--in many states--is **also not** explained to you until it's too late to escape the Procuring Cause Trap. (Such as just before you want to write an offer.)

In this buyer protection booklet, we'll explain:

- ★ What Procuring Cause is, and How it Works
- ★ How You Can Verify it Exists
- ★ How You Can Protect Your Interests (Even if you fear you may already be trapped.)

This information could mean the difference between getting an agent who works solely in your best interests...or one who works in the seller's best interests. (*Please Read On...*)

WHAT IS REALTOR® PROCURING CAUSE?



Procuring Cause in an antiquated system that was originally used to settle commission disputes between real estate firms when agents from two firms both claimed to have brought the same buyer to a successfully closed transaction. It originated before buyer agency existed, at a time when *all* buyers were unrepresented, and when their only choice was working with agents of the seller.

Essentially, Procuring Cause states that the agent that caused you to wish to purchase the home is entitled to be compensated from transaction funds.

Today, though, buyers have a choice that they didn't have when Procuring Cause was first adopted...**Buyer Agency**. The job of a buyer's agent is to work toward getting the buyer the lowest price, at the best possible terms. This is the exact opposite of the legal obligation of seller's agents, which is to get the seller the highest price at the best possible terms.



Given proper, timely disclosure...most buyers would probably choose to use a buyer's agent, if it did not cost them anything more to do so. Usually, buyer agency services can come to buyers at no additional cost. Here, though, is where Procuring Cause can become a problem.

When a seller lists a property for sale with a Realtor®, it's almost always put on a Multiple Listing Service, with a certain amount being offered to whatever agent brings the buyer to the transaction.



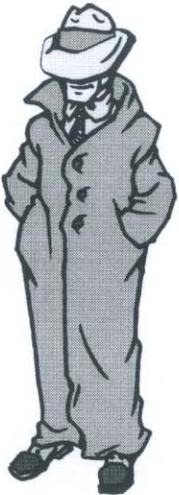
Going to see property, whether on a private showing or to an Open House, starts a chain of events which can essentially shackle you to the agent who showed you the home you wish to purchase. Even though you didn't sign anything...even though you weren't told that an obligation was being created, you may have, thanks to the *Secret Contract* of Procuring Cause, lost your right to choose representation. You are now likely stuck with an agent who almost certainly represents the seller, something else that likely was not disclosed to you. All of which is very likely to cost you dearly, in terms of time, money and effort!

HOW PROCURING CAUSE AFFECTS YOU



When you have gone to see homes with an agent, or to an open house, no other agent, thereafter, is likely to offer you any services. Why? Remember that fee that is offered to whoever brings the buyer? It is now the property of the agent who first showed you the home. Never mind that they didn't mention this to you, and never mind that the agent is likely to be working against your interests.

No other agent is likely to touch you, on any homes you've already seen, because if they did offer services, they would end up doing all the work...taking on all the liability...only to risk seeing the check paid to them at closing, eventually go to the first licensee that showed you the home. (The one that trapped you.)



How? That first licensee could file a complaint with the local Realtor® board, in what will likely be a successful attempt to strip your buyer's agent of their duly earned fee, via Realtor® Arbitration. Not many agents are willing to risk working for free...so, unless you are willing to pay them out of your own pocket, you are likely to have to forego representation from a buyer's agent.

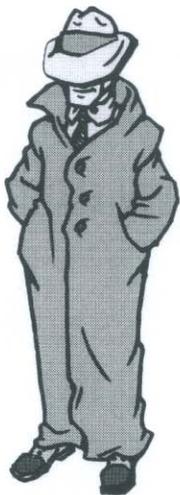
Again, remember...no agent has bothered to tell you that going to see a home with them would create any kind of obligation...and chances are very good that they also didn't bother to tell you that they would be representing the seller, or that you had the option of buyer agency, before trapping you with Procuring Cause.

You might ask yourself...does this really matter? Aren't all licensees pretty much the same? Well...is the obligation to work in the best interests of the seller the same as the obligation to work in the best interests of the buyer? No...not the same at all. You could easily be losing thousands of dollars.



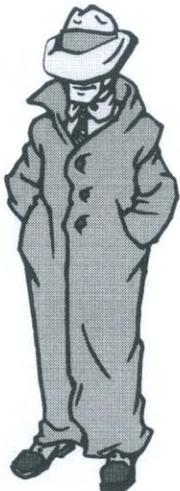
When you are trapped into using a seller's agent, in addition to giving up the right to have a buyer's agent, whose job is to save you time, money and effort...you may also be kept from receiving any financial incentives buyer agents may offer, as they can't very well give you something that costs them money, in addition to the money they stand to lose to the first agent that showed you the home.

VERIFYING THAT PROCURING CAUSE EXISTS



For the first time ever, you have the opportunity to not only verify that Procuring Cause exists, and thus avoid the trap...but you can also trap the trapper!

There are a number of reasons why Procuring Cause has not come to the forefront of public consciousness, to this point in time. One of the main reasons, is that the vast majority of Realtors® have the ability to benefit from the trap...so they just snare all the unsuspecting buyers that they can, figuring that it will all even out for them in the long run.

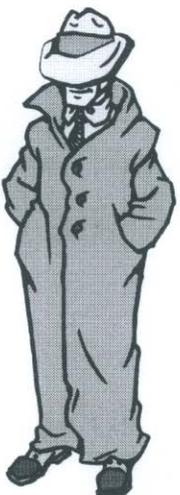


Buyers, who probably aren't getting the full picture about who represents whom, either, tend to feel that most of these agents who represent sellers seem to be nice, friendly people, so they don't necessarily have a reason to want to look for another agent, until they discover the nice, friendly licensee has sprung a trap on them...at which point it may be too late to do anything about it.

On the following page, you're going to find an agreement that you should place before any agent that wants to show you homes. Once signed, you will be free to look at homes with them, without creating any obligation to use them to purchase the properties you see together. This will eliminate the trap.

It is essential that you place the agreement in front of the licensee BEFORE you enter any home--or any more homes--with them. Also, before giving it to them, ask them the following two questions...in your best, "innocent" voice:

- 1) By the way...what is Procuring Cause? (Wait for the answer.)
- 2) So...when were you going to tell me about Procuring Cause?



Once the shock has worn off, they will probably give you some very creative answers. Then, after they're done, pull out the form, and tell them that you aren't entering any home with them UNTIL THE FORM IS SIGNED. (If they do sign it, and they probably won't, you still might want to ask yourself why you have any interest in a licensee that was trying to steal your rights from you.)

Property Browsing Agreement

Overview

1. The undersigned buyer (“Buyer”) is interested in receiving information on homes for sale in the local region, and sampling the abilities of local real estate licensees.
2. The undersigned real estate licensee (“Licensee”) has information on homes for sale in the local region.
3. Buyer is currently interested in browsing only, in preparation for a later, more serious home-hunting effort. At this time, Buyer does not want to enter into any contractual obligations, nor become tied to any particular licensee. Buyer would like Licensee to provide free information services as to homes for sale, and general market conditions.
4. Licensee is willing to provide free information on homes and market conditions to Buyer as a means of demonstrating Licensee’s abilities and knowledge of the local area. Licensee is willing to do so without any compensation, and without requiring Buyer to give up any rights or opportunities. Licensee is aware that Buyer is shopping not only for a home, but also for a real estate licensee, or agent.

In light of these facts, the parties make the following agreement.

Agreement

1. Buyer will request information and services from Licensee. Licensee will provide information and services to Buyer to an extent and in a timeframe that suits Licensee.
2. All of the information and services provided by Licensee to Buyer will be free, unless the parties agree otherwise in writing.
3. In spite of paragraph 2 of this agreement, if Buyer purchases a property through an offer or counter-offer drafted for buyer by Licensee, Licensee will be entitled to any and all commission revenue that accrues to Licensee from such sale.
4. If Buyer purchases a property through an offer drafted by another agent, the undersigned Licensee will not be entitled to any of the buyer-side commission revenue accruing from such sale. The undersigned Licensee waives all rights to assert that he or she--or his/her firm--were the procuring cause of a sale for which the undersigned Licensee did not draft, for buyer, the accepted offer to purchase, or any related counter-offers. This waiver may be asserted not only by Buyer, but also by any other agent contractually representing Buyer in later sale transactions. If Licensee’s broker asserts a procuring cause claim against any agent--or firm--representing Buyer in a later sale in which no licensee from the undersigned Licensee’s office wrote an accepted offer or counter-offer, for buyer, Licensee will defend all of Buyer’s agents--and the firms for which they work--who are targets of such procuring cause claims, and indemnify them against the sum total of any awards made against such agents, and/or their firms.

Date_____ Buyer _____ Date_____ Licensee _____

Date_____ Buyer _____