

(b) A broker or salesperson employed by a broker shall advertise under the supervision of an in the name of the employing broker.

(c) A licensee may advertise the occasional sale of real estate owned by the licensee without complying with pars. (a) and (b), provided that the licensee includes one of the following terms in the advertisement: "broker-owner", or "licensee-owner".

(3) ADVERTISING WITHOUT AUTHORITY PROHIBITED. Brokers shall not advertise property without the consent of the owner.

(4) ADVERTISED PRICE. Brokers shall not advertise property at a price other than that agreed upon with the owner; however, the price may be stated as a range or in general terms if it reflects the agreed upon price.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (4), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.04 and am. (2), Register, February, 1983, No. 326, eff. 3-1-83; renum. (2) to be (2) (a) and am., cr. (2) (b) and (c), Register, January, 1987, No. 373, eff. 2-1-87.

RL 24.05 Self-dealing. (1) DISCLOSURE OF PROFITS. Licensees shall not accept any commission, rebate, or profit on expenditures made for the owner without the owner's knowledge and consent.

(2) DISCLOSURE OF INTEREST. Licensees shall not act on their own behalf, in acquiring or selling property, or on behalf of their immediate family, firm or any member thereof, or any entity in which they have an interest in acquiring or selling property, without disclosing their interest to all parties to the transaction.

(3) DISCLOSURE OF FEES AND COMMISSIONS. Licensees shall disclose to the buyer of any property owned or effectively controlled by them; a) the price of such property; b) any commissions or fees payable directly or indirectly to them as a result of the sale; and c) any requirement imposed by them as a condition to the sale of such property to the buyer and any commissions or fees payable directly or indirectly to them for imposing such requirement. This disclosure must be in writing and must be given before any agreement to purchase the property signed by the buyer is accepted.

(4) REFERRAL OF SERVICES. Licensees shall not recommend or suggest the use of services of another individual, organization or business entity in which the licensee has an interest without disclosing their interest at the time of the recommendation or suggestion.

(5) DUAL COMPENSATION. Licensees shall not accept compensation from more than one party to a transaction without the full knowledge of all parties to the transaction.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (3) and (4) to be (4) and (5), cr. (3), Register, December, 1980, No. 300, eff. 1-1-81; am. (5), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.05, Register, February, 1983, No. 326, eff. 3-1-83.

RL 24.06 Unauthorized practice of law. (1) UNAUTHORIZED PRACTICE OF LAW PROHIBITED. Licensees shall not engage in activities that constitute the unauthorized practice of law.

(2) LEGAL COUNSEL NOT TO BE DISCOURAGED. Licensees shall not discourage any person from retaining an attorney.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.06, Register, February, 1983, No. 326, eff. 3-1-83.

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RL 24.07 Disclosure. (1) **DISCLOSURE OF MATERIAL FACTS.** Licensees shall avoid exaggeration, misrepresentation or concealment of material facts. Licensees have an affirmative obligation to discover adverse factors that a reasonably competent and diligent investigation would disclose and to disclose any adverse factors to the buyer or the seller or other interested parties.

(2) **DISCLOSURE OF UREA-FORMALDEHYDE INSULATION.** A real estate licensee, when listing a residence, shall conduct a visual inspection of the property and make oral inquiry of the seller as to the existence or nonexistence of urea-formaldehyde foam insulation in the premises.

(a) If the seller's response is that urea-formaldehyde foam insulation is existent in the premises, the licensee shall disclose this fact to the buyer and other interested parties.

(b) If the seller's response is that urea-formaldehyde foam insulation is nonexistent in the premises, or that the seller has no knowledge whether urea-formaldehyde foam insulation is existent in the premises, the licensee need not make further inquiry.

(c) In all cases, if personal observation of the premises by a licensee, or other information, yields a reasonable possibility that urea-formaldehyde foam insulation may exist, this fact, as well as the seller's representation, shall be disclosed by the licensee to the buyer and other interested parties.

(3) **FALSE INFORMATION.** Licensees shall not knowingly give false information about another licensee or property listed with another licensee.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; emerg. r. (2), eff. 10-14-80; cr. (3), Register, December, 1980, No. 300, eff. 1-1-81; r. (2), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.07, Register, February, 1983, No. 326, eff. 3-1-83; cr. (2), Register, January, 1987, No. 373, eff. 2-1-87.

RL 24.075 Tie-in arrangements. Licensees shall not:

(1) Condition the sale of real estate owned by the licensee or whose sale is effectively controlled by the licensee to a buyer upon the buyer's agreement to purchase another parcel or real estate.

(2) Condition the sale of real estate owned by the licensee or whose sale is effectively controlled by the licensee upon the buyer's agreement to list the real estate or other real estate owned by the buyer with the licensee.

Note: The following are 2 common examples of activities which would violate this subsection: (1) requiring a builder to list a speculation home with the licensee; and (2) requiring a buyer to list a present home with the licensee.

(3) Condition the sale of vacant real estate owned by the licensee or whose sale is effectively controlled by the licensee upon the buyer's agreement to employ one or more specific builders to make improvements on the real estate unless:

(a) The builder owns a bona fide interest in the real estate; and there is full disclosure as specified in s. RL 24.05 (3).

(b) The builder and the licensee or the builder and the owner of the real estate are the same person or are commonly controlled corporations and whose business is selling improved property and not vacant land; and there is full disclosure as in s. RL 24.05 (3).

(c) The agreement is a bona fide effort to maintain development quality or architectural uniformity and no consideration passes from contractor to licensee for soliciting this agreement.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.075 and am. (3) (a) and (b), Register, February, 1983, No. 326, eff. 3-1-83.

RL 24.08 Agreements to be in writing. Licensees shall put in writing all listing contracts, guaranteed sale agreements, offers to purchase, property management agreements, option contracts, financial obligations and any other commitments regarding transactions, expressing the exact agreement of the parties.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.08, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, January, 1987, No. 373, eff. 2-1-87.

RL 24.085 False portrayal of interest, prohibited. No licensee shall draft or use any document which the licensee knows falsely portrays an interest in real estate.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.085, Register, February, 1983, No. 326, eff. 3-1-83.

RL 24.09 Market value estimates. Licensees shall not mislead the owner with respect to market value in attempting to secure a listing.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.09, Register, February, 1983, No. 326, eff. 3-1-83.

RL 24.10 Net listing prohibited. Licensees shall not obtain, negotiate or attempt to obtain or negotiate any listing contract providing for a stipulated net price to the owner with the excess over the stipulated net price to be received by the broker as commission.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.10, Register, February, 1983, No. 326, eff. 3-1-83.

RL 24.12 Confidentiality of offers. Licensees shall not disclose any of the terms of one prospective buyer's offer to purchase, exchange agreement or option contract proposal to any other prospective buyer or to any person with the intent that this information be disclosed to any other prospective buyer. Licensees shall encourage all prospective buyers to submit their highest and best offers.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.12, Register, February, 1983, No. 326, eff. 3-1-83.

RL 24.13 Drafting and submission of offers. (1) REFUSAL PROHIBITED. Licensees shall not refuse to draft or submit any offer to purchase, exchange agreement or option contract proposal to the owner unless the terms of the offer, exchange agreement or option would be contrary to specific instructions of the owner.

(2) WITHHOLDING OFFERS PROHIBITED. Licensees shall present promptly all offers received to the owner for consideration. Licensees shall not withhold any offer from presentation pending the owner's action on an offer previously presented.

(3) FAIR PRESENTATION OF OFFERS. (a) Licensees shall present each offer in an objective and unbiased manner. Licensees shall inform the owner of the advantages and disadvantages of all submitted offers to purchase, exchange agreements and option contract proposals.

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(b) A listing broker or the broker's employe may not submit his or her own offer to purchase a property which the broker has listed until all pending offers have been rejected by the seller, except that a broker may arrange for a guaranteed sale at the time of listing.

(4) **NOTIFICATION OF ACTION TO BUYERS.** Licensees shall promptly inform prospective buyers whether the seller has accepted, rejected or countered their written offer to purchase, and shall immediately provide a written statement concerning the date and time when an offer was rejected or that an offer had expired without acceptance when such a statement is requested by a prospective buyer, a buyer's agent or a selling broker.

(5) **NEGOTIATION THROUGH LISTING BROKER.** Licensees shall not negotiate a sale of real estate directly with an owner if the licensee knows that such owner has an unexpired written contract in connection with such property which grants to another licensee an exclusive right to sell. All negotiations shall be conducted with the listing broker, and not with the owner, except with the consent of the listing broker or where the absence of the listing broker, or other similar circumstances, reasonably compels direct negotiation with the owner.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; cr. (5), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.13, Register, February, 1983, No. 326, eff. 3-1-83; renum. (3) to be (3) (a), cr. (3) (b), am. (4), Register, January, 1987, No. 373, eff. 2-1-87.

RL 24.15 Adequate funds required. Licensees shall not issue checks upon business or trust accounts which contain insufficient funds.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.15, Register, February, 1983, No. 326, eff. 3-1-83.

RL 24.16 Availability of rules. Brokers shall maintain a copy of the rules of the department on file in all offices for the use of all licensees.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.16, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, January, 1987, No. 373, eff. 2-1-87.

RL 24.17 Miscellaneous requirements. (1) **VIOLATIONS OF LAW.** Licensees may not violate, or aid or abet the violation of, any law the circumstances of which substantially relate to the practices of a real estate broker or salesperson. A licensee who has been convicted of a crime, except motor vehicle offenses under chs. 341 to 349, Stats., shall send to the department within 30 days after the judgment of conviction a copy of the complaint or other information which describes the nature of the crime and the judgment of conviction in order that the department may determine whether the circumstances of the crime of which the licensee was convicted are substantially related to the practice of a real estate broker or salesperson, pursuant to s. 111.335 (1) (c), Stats.

(2) **VIOLATION OF STATUTES, ADMINISTRATIVE CODE AND DISCIPLINARY ORDERS.** Licensees shall not violate any provisions or terms or conditions of, or aid or abet the violation of ch. 452, Stats., chs. RL, Wis. Adm. Code or any formal disciplinary order of the real estate board.

(3) **IMPAIRED PRACTICE.** Licensees shall not render services while the ability of the licensee to competently perform duties is impaired by mental or emotional disorder, drugs or alcohol.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (2), Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.17 and am. (2), Register, February, 1983, No. 326, eff. 3-1-83; am. (1), Register, January, 1986, No. 373, eff. 2-1-87.

Register, May, 1988, No. 389