



Courtside *Newsletter*

Risky Business: Safety First



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Any which way you look at it, real estate is a risky business. For agents, not only is it their job to find someone's dream home and potentially their biggest investment, they must also put their reputation, livelihood, and personal safety on the line.

Part 1: Safety First

Continuing last month's *Courtside Newsletter* theme of risk management, it comes as a surprise to no one that agent safety plays a key part in risk management. In a field that presents extremely dangerous situations, such as open houses and private showings, agents need to remain alert and vigilant when it comes to their personal safety. As the *Los Angeles Times* once put it: better to lose a sale than your life.

Getting to Know You

While vetting potential clients may seem simple—don't show sketchy people homes—anyone who knows anything about Ted Bundy should realize otherwise. Whether a prospective client is dressed to the nines or shows up looking a little scruffy shouldn't matter. Agents should conduct their due diligence.

- Meet new potential clients at the office first and have them fill out a Prospect Identification form (available on the National Associations of REALTORS®'s website) or something comparable. The form should include such information as the prospective client's name, address, employer information, and car make, model, and license plate information.
 - Make a copy of their driver's license or photo ID as well. It's easy to give out false information, and career criminals may be expecting to have to fill out a form. Agents can also use apps, such as Verify Photo ID to collect the requested information from prospective clients.
- If it isn't possible to meet a new client at the office, request that they fill out a Prospect Identification form before a showing. The form can be sent via email and should be considered a prerequisite for meeting anyone new.

- Run a search on the potential client, starting with Google and social media profiles. It may require some digging and filtering, but almost everyone has an online presence these days.
- Request a mortgage approval letter from potential buyers. Not only will this show you that the client is serious about purchasing a home, but it will also instill confidence in the client by showing them that you know how to do your job from the outset.

I Believe You Have My Stapler (Office Space)

Every brokerage should have a safety procedure protocol in place, from vetting potential clients to letting people in the office know where and when another agent is going somewhere. In addition to ensuring the agents' safety, such procedures may also help the supervising broker avoid liability should something happen.

- Agents can make their calendars public to other employees, especially on Google calendars. If there is any question as to an agent's whereabouts (for safety reasons), the calendar will show where they may be.
- Agents should inform others when they will be going to show a property, and to whom.
- If a client, or anybody for that matter, comes into the office when an agent is there alone, the agent should never admit to being alone. Instead, they should allude to someone else being in the office.
 - Better yet, lock up if you're in the office alone, especially at night.
- Brokerages should keep up-to-date records on their agents, including the make/model of their cars, copies of drivers' licenses, and current contact and emergency contact information.
- Take self-defense courses and/or encourage agents to sign up for them.

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Show Me the Money

Marketing is key for agents, but you should be wary of taking things too far.

- Even though you may be a top-selling agent, your marketing material shouldn't be boastful of how much cash you're raking in. Leave off the flashy jewelry in your headshots, and don't pose in front of expensive cars.
- Be mindful of who can see you on social media. In the same way you can vet clients, criminals can vet you. Don't post pictures of expensive trips, flashy jewelry, or statuses showing you are away from your house online.

A House is Not a Home

Showing properties is the name of the real estate game, but it is also where the most risk may arise. It seems that almost monthly we are reading headlines about agents being stalked, going missing or found murdered. It's enough to put anyone off this occupation, but there are still plenty of way agents can protect themselves.

- For starters, take separate cars to properties. Meet clients or prospective clients at the property (after vetting them, of course).
- Put your purse and/or briefcase in the trunk before going to the property.
- Keep a portable charger in your car, and make sure your phone is fully charged before going to show a home.
- Park in such a way that you can't be blocked in by another vehicle, like you could be if you were to park in the driveway. Park against the curb instead.
- While showing clients around a property, keep your phone and keys close by.
- Vet the house before you go—make sure you know the layout and all of the exit routes.
- Let the client lead you, not the other way around. Follow the client around the property, and don't go into rooms with no other exit (such as a walk-in closet).
- There's safety in numbers: work in teams when showing properties and during open houses.
- Put bells on all of the entrances and exits when holding an open house.
- Ask visitors to sign in when they arrive and offer a raffle or a door prize as an incentive.
- Turn on all the lights and open all of the curtain when showing a home.

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At the end of the day, nothing can compare to your gut instincts. If something doesn't feel right, don't fight it. Go with whatever that pit in your stomach is telling you. The adage may be old, but you're always better safe than sorry.

Part 2: Client Safety 101

Agents are not the only targets for predators. Clients can also run into trouble, which could lead their agents into hot water as well.

To Catch a Thief

Burglaries during open houses and showings are not only risky for agents in the physical sense (as evidenced by recent headlines), but they also pose a legal liability. Many thieves coming to a property are petty thieves, looking for small items to stash in their bags as they "view" the property. Agents should always insist that their clients lock up any valuables, including jewelry, electronics, and sensitive documents. Clients should go so far as to remove prescription medications and take down any calendars that may indicate when they won't be home. Agents can provide a checklist for their clients, to make sure nothing is overlooked in the hustle of trying to sell a home. Additionally, agents may consider setting up security cameras during showings and looking for E&O insurance that will cover them should something go missing.

Cybercrime

While we covered this matter in a previous issue of the *Courtside Newsletter* (October 2017), the warnings bear repeating. Real estate brokerages are a prime target for cybercrime due to high-dollar transactions, multiple clients, and the likelihood that either the brokerage or the client is not paying attention. Agents need to warn their clients of this reality, and also arm them with knowledge of how to avoid becoming a victim. The California Association of REALTORS® has created the Wire Fraud and Electronic Funds Transfer Advisory (WFA), and every agent would be wise to provide this, or some form thereof, to clients. Essentially, the form warns clients that in no uncertain terms should they wire or electronically transfer funds without first calling a previously provided telephone number to confirm transfer instructions.

Ultimately, agents may be held liable for breaches of cybersecurity based on theories of negligence, breach of contract, breach of fiduciary duty, and a failure to warn. REALTORS® may be found liable for further violations of the National Association of REALTORS® Code of Ethics. The information gleaned from a real estate professional's database could be seen as even more detrimental and could result in legal, monetary, and reputational damage.

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Like most articles, this is just the tip of the iceberg in terms of what can be done to protect your physical safety, protect you from liability, and protect your clients' interests. If you have any questions as to what can be done at your brokerage to increase safety, contact your local REALTOR® association or qualified counsel.

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